



# National Health Expenditure Trends

1975 to 2019



Canadian Institute  
for Health Information

Institut canadien  
d'information sur la santé

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## Key findings

*National Health Expenditure Trends, 1975 to 2019* — the Canadian Institute for Health Information's 23rd annual health expenditure trends publication — provides detailed, updated information on health expenditure in Canada.

### **Total health expenditure is expected to reach \$264.4 billion or \$7,068 per Canadian in 2019**

- It is anticipated that, overall, health expenditure will represent 11.6% of Canada's gross domestic product in 2019.

### **In 2019, total health expenditure is expected to rise by 3.9%, a slight increase in the rate of growth compared with earlier in the decade**

- Between 2014 and 2019, health spending per capita is estimated to increase in real terms by an average of 1.4% per year. This reflects continuous economic growth and the prospects of higher government revenues in the next few years, which may lead to sustained health spending increases in the near future.

### **Provincial per capita health expenditures vary**

- In 2019, total health expenditure per capita is expected to range, for example, from \$8,190 in Newfoundland and Labrador to \$6,953 in Ontario and \$6,548 in British Columbia.

### **Physician expenditure growth fastest among 3 largest health spending categories**

- Hospitals (26.6%), Drugs (15.3%) and Physicians (15.1%) are expected to continue to account for the largest shares of health dollars (close to 60% of total health spending) in 2019.
- Physician expenditures are expected to grow by an estimated 4.4% in 2019. Spending on hospitals in 2019 is estimated to grow by 3.0%, while drug spending growth is forecast at 2.7%.

### **Canada's per capita health care spending among the highest internationally**

- Among 36 countries in the Organisation for Economic Co-operation and Development (OECD) in 2018, the latest year for which comparable data is available, spending per person on health care remained highest in the United States (CA\$13,722). Canada's per capita spending on health care was among the highest internationally, at CA\$6,448 — less than in the Netherlands (CA\$6,855) and Australia (CA\$6,488), and more than in France (CA\$6,436) and the United Kingdom (CA\$5,275).

# About this report

*National Health Expenditure Trends, 1975 to 2019* provides an overview of how much is spent on health care annually, in what areas money is spent and on whom, and where the money comes from. It features comparative expenditure data at the provincial/territorial and international levels, as well as Canadian health spending trends from 1975 to the present.

Companion products to the *National Health Expenditure Trends, 1975 to 2019* report are available on CIHI's website at [www.cihi.ca/en/nhex](http://www.cihi.ca/en/nhex):

- *National Health Expenditure Trends, 1975 to 2019 — Data Tables* (.xlsx)
- *National Health Expenditure Trends, 1975 to 2019 — Methodology Notes* (.pdf)
- *National Health Expenditure Trends, 1975 to 2019 — Infographics*
- *National Health Expenditure Trends, 1975 to 2019 — Briefing Deck* (.pptx)
- *Health Expenditures in the Provinces and Territories — Provincial and Territorial Chartbook, 2019* (.pptx)
- *Health Expenditures in the Private Sector — Private-Sector Chartbook, 2019* (.pptx)
- *How Canada Compares Internationally: A Health Spending Perspective — International Chartbook, 2019* (.pptx)

Please note that, throughout the report (including text and figures), due to rounding, components may not add to the total.

Please send feedback and questions to the National Health Expenditure Database (NHEX) team at [nhex@cihi.ca](mailto:nhex@cihi.ca).

The Canadian Institute for Health Information (CIHI) expresses its gratitude to the National Health Expenditure Expert Advisory Group for its advice and constructive comments related to national health expenditures:

- John Horne, PhD, Former Chief Operating Officer, Winnipeg Health Sciences Centre
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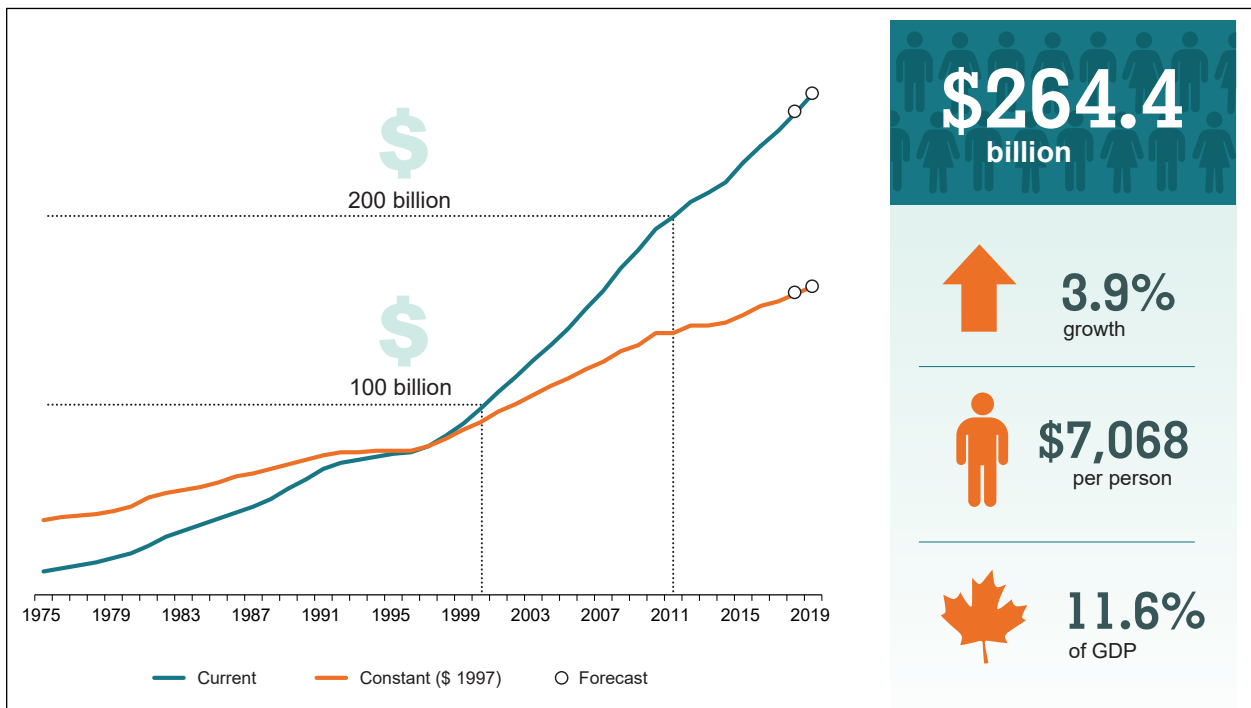
# Overview of health spending in Canada

## Total health expenditure is expected to amount to \$7,068 per Canadian in 2019

Health spending in Canada is projected to reach \$264.4 billion in 2019, representing 11.6% of Canada's gross domestic product (GDP). This amounts to \$7,068 per Canadian.

Total health expenditure growth in 2019 is forecast to be 3.9% (Figure 1).

**Figure 1** How much will we spend on health in 2019?



**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

## Preliminary estimates for 2018 and 2019

NHEX contains actual expenditures from 1975 to 2017. To improve the timeliness of the data, health expenditures are forecast for the latest 2 years, 2018 and 2019, so that a time series is available up to the current year. Provincial/territorial government–sector health spending forecasts are based on the Main Estimates and budgets published earlier in the year and are reviewed by the jurisdictions prior to publication. Forecasts for the private sector are based on an econometric analysis of time series trends.\* In the National Health Expenditure Trends report, preliminary estimates for 2018 and 2019 are identified in the data tables by the letter “f.” These preliminary estimates are subject to revision when actual data becomes available in subsequent years. Therefore, users should exercise caution when interpreting trends.

For quality assurance, monitoring of the performance of forecasts is done annually. One component of this analysis is a comparison of preliminary estimates with actuals when the data becomes available. For example, for the 2016 data year, actual provincial/territorial government health expenditures in Canada were 0.7% higher than the 1-year-ahead preliminary estimate and 1.9% higher than the 2-year-ahead preliminary estimate. A recent report by the C.D. Howe Institute found that “over the NHEX reports’ 20-year history, the later numbers on average have shown provincial and territorial health expenses growing 0.8 percent annually faster than the preliminary estimates.”<sup>1 (p. 2)</sup>

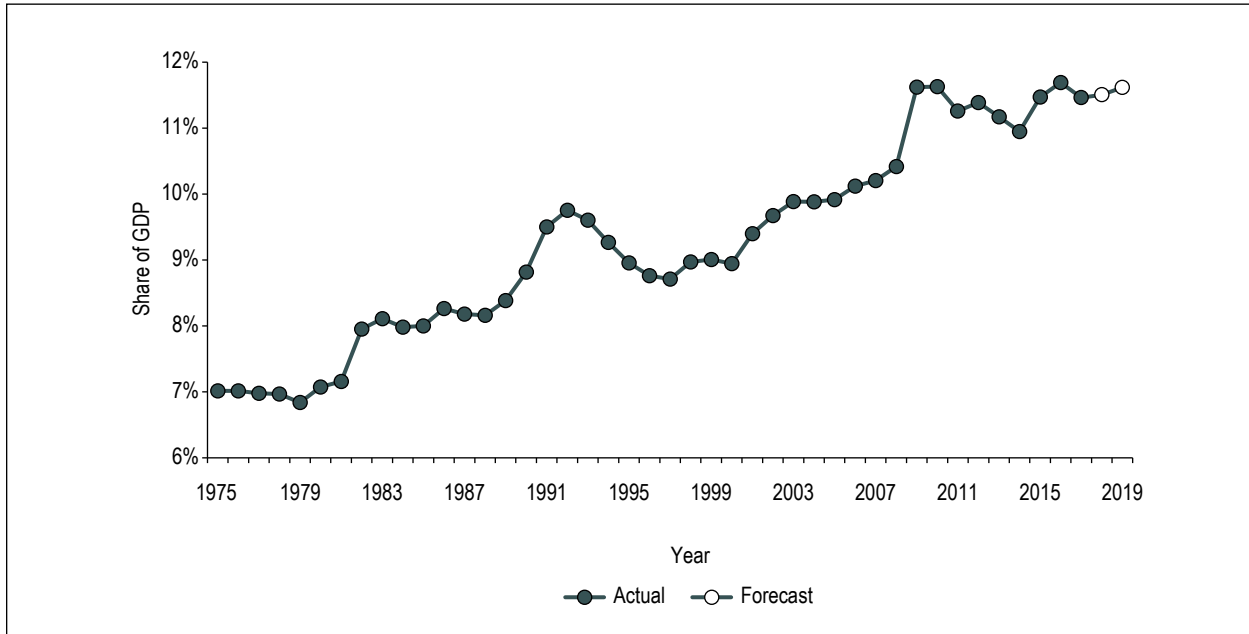
### Note

\* See the Methodology Notes for more information.

## Health as a share of GDP has trended upward

It is anticipated that, overall, health expenditure will represent 11.6% of Canada’s GDP in 2019. The trend over the last 40+ years shows that when there is more economic growth, there is more health care spending.

**Figure 2** Total health expenditure as a percentage of GDP, Canada, 1975 to 2019



**Note**

See data table A.1 in the companion Excel file.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

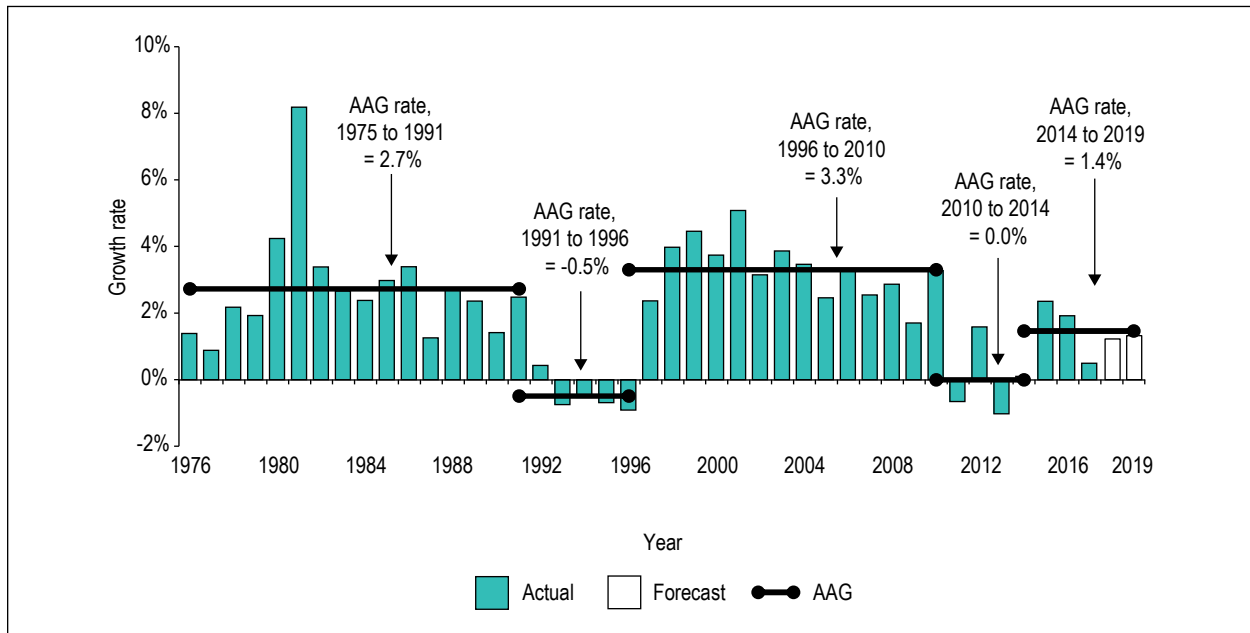
- **1975 to early 1990s:** Health expenditure grew during this period. Total health expenditure as a proportion of GDP was 7.0% in 1975. With GDP falling during the 1982 recession, the ratio of total health expenditure to GDP increased sharply, from 6.8% in 1979 to 8.1% in 1983. The ratio continued to increase significantly, reaching 9.8% for the first time in 1992 (Figure 2).
- **Mid-1990s:** As governments focused on fiscal restraint, total health expenditures grew more slowly than GDP between 1993 and 1997. Consequently, the health-to-GDP ratio fell each year in that period, reaching 8.7% in 1997.
- **Late 1990s to 2010:** Major investments were made in health care. Health expenditure grew faster than or close to GDP from 1998 to 2010, with the result that the health-to-GDP ratio trended upward. It peaked at 11.6% in 2010.
- **2010 to 2014:** Following the 2009 recession, governments focused on restraining program spending to manage budgetary deficits. Health spending growth was slower than or close to the growth in the overall economy. As a result, the health-to-GDP ratio fell to 10.9% in 2014.
- **2014 to 2019:** This has been a period of emerging growth. The health-to-GDP ratio is estimated to be 11.6% in 2019.



## Total health expenditure in 2019 is expected to rise by 3.9%, a slight increase in the rate of growth compared with earlier in the decade

Between 2010 and 2014, health spending per capita decreased, in real terms, similar to the experience during the mid-1990s (Figure 3). This was mainly due to Canada's modest economic growth and fiscal restraint as governments focused on balancing budgetary deficits. Since 2014, health spending per capita has increased in real terms by an average of 1.4% per year.

**Figure 3** Total health expenditure per capita, annual growth rates after inflation,\* Canada, 1976 to 2019



### Notes

\* Calculated using constant 1997 dollars.

AAG: Average annual growth.

See data table A.1 in the companion Excel file.

### Source

National Health Expenditure Database, Canadian Institute for Health Information.

- **1975 to 1991:** This was a period of sustained growth in health spending. The average annual growth rate was 2.7%, with a spike of spending growth in the early 1980s.
- **Mid-1990s:** Total health expenditure declined by an annual average rate of 0.5% during this period of fiscal restraint.
- **Late 1990s to 2010:** This period of reinvestment in health care saw health spending increase by an average rate of 3.3% per year.
- **2010 to 2014:** In this period of fiscal restraint, total health expenditure declined by an annual average rate of 0.01%.
- **2014 to 2019:** This has been a period of emerging growth, and health spending per capita is estimated to increase in real terms by an average of 1.4% per year.

## International comparisons

### Canada is among the highest spenders in the OECD

Among 36 Organisation for Economic Co-operation and Development (OECD) countries in 2018, the latest year for which comparable data is available, spending per person on health care remained highest in the United States (CA\$13,722). Canada's per capita spending on health care was among the highest internationally, at CA\$6,448<sup>i</sup> — less than in the Netherlands (CA\$6,855) and Australia (CA\$6,488), and more than in France (CA\$6,436) and the United Kingdom (CA\$5,275).

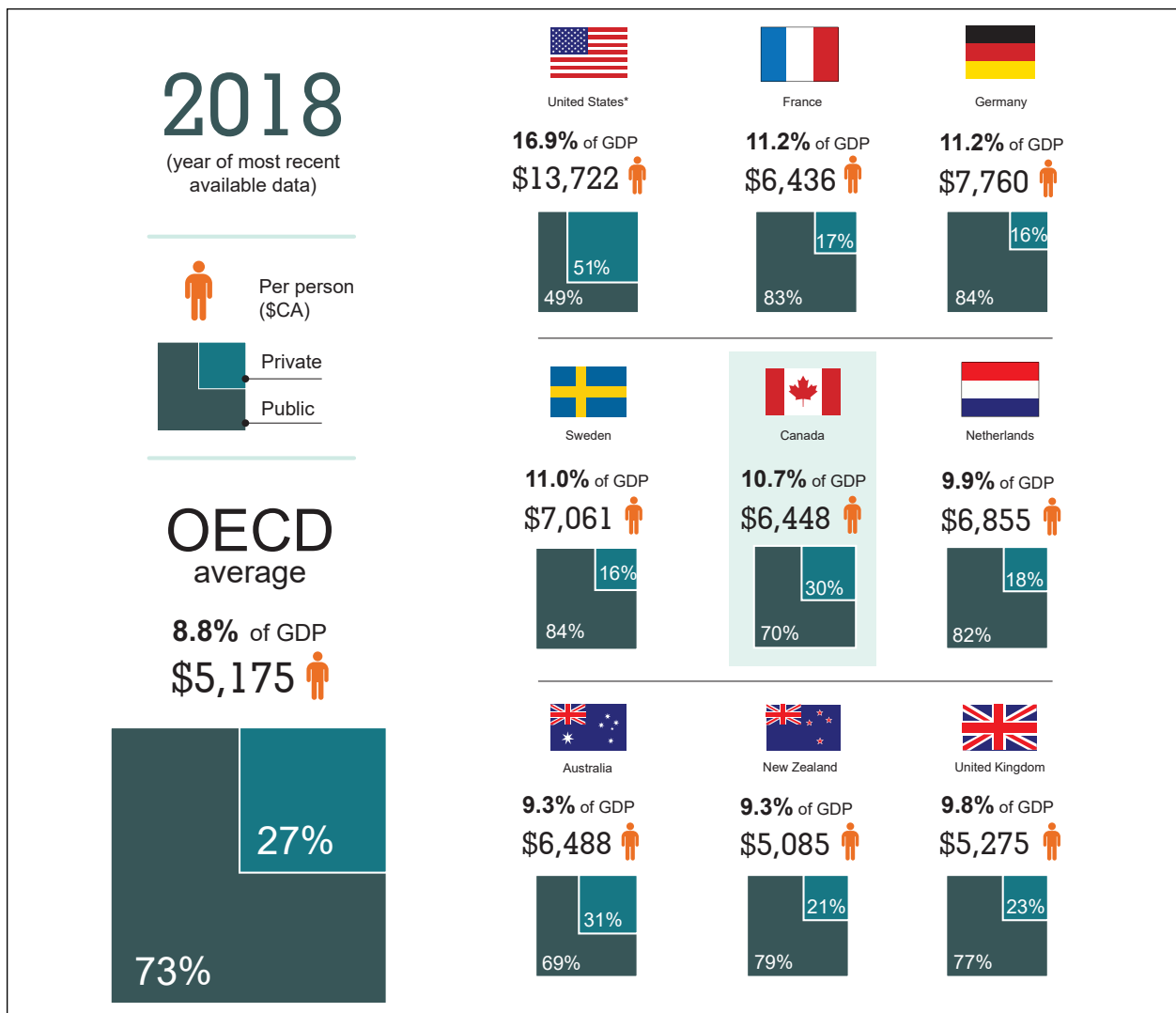
Although Canada is above the OECD average in terms of per-person spending on health care, the public-sector share of total health expenditure is below the OECD average (Figure 4).<sup>ii</sup>

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i. Total health expenditure in National Health Expenditure Trends reports includes capital expenditures as well as expenditures on health research and the training of health workers with concomitant care of patients. This total differs from total current health expenditure for Canada in OECD reports, which excludes these expenditures, as well as expenditures for social services and pastoral care in hospitals.

ii. The OECD GDP figures are standardized for international comparability; consequently, the health expenditure-to-GDP ratios reported by the OECD may differ from those reported by the national health accounts of member countries. Specific to Canada, the GDP estimate published by Statistics Canada contains an amount for financial intermediation services indirectly measured (FISIM). Statistics Canada removed the FISIM from the GDP estimate provided to the OECD. In addition, there is a time lag between both Statistics Canada's revision of the Canadian GDP and CIHI's revision of national health expenditure data and its publication in OECD reports.

**Figure 4** How does Canada's health spending compare?



**Notes**

\* For the United States, the public- and private-sector shares are for 2017, and the public-sector share of total health spending excludes compulsory private insurance expenditures.

The public-sector share of total health spending is the sum of expenditures for government schemes and compulsory health insurance.

Total current expenditure (capital excluded). Expenditure data is based on the System of Health Accounts.

**Source**

Organisation for Economic Co-operation and Development. [OECD Health Statistics 2019](#). 2019.

# Total health expenditure by source of finance

## About 70% of total health expenditure in 2019 will come from public-sector funding

Both the public and private sectors finance Canada's health systems. Public-sector funding includes payments by governments at the federal, provincial/territorial and municipal levels and by workers' compensation boards and other social security schemes. Private-sector funding consists primarily of health expenditures by households and private insurance firms.

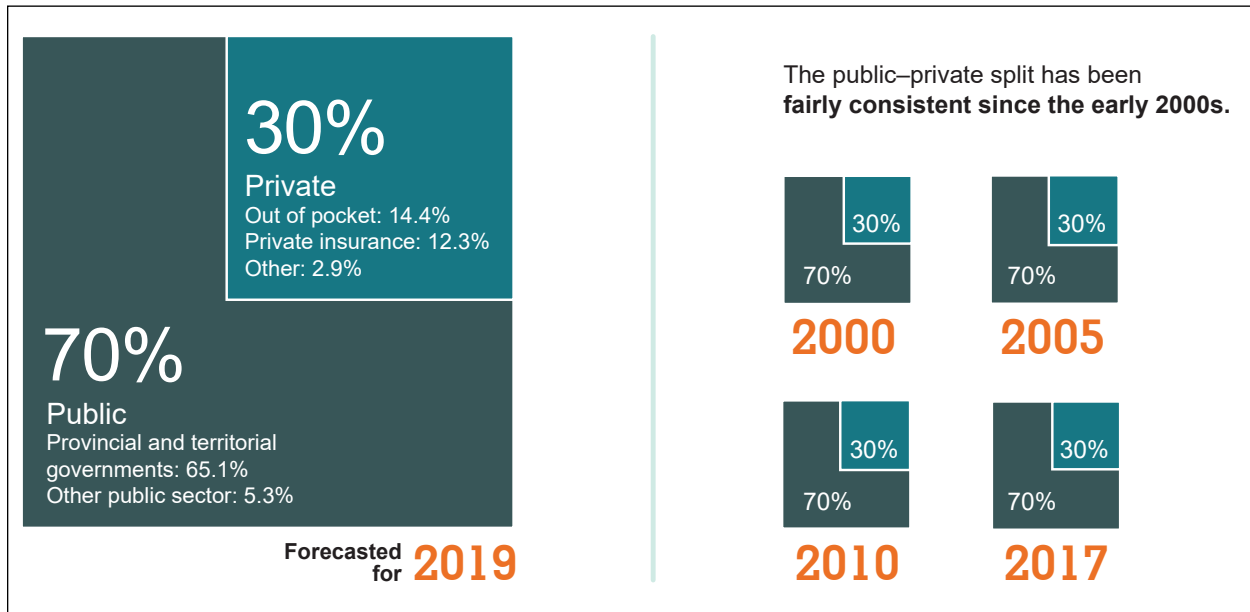
Provincial and territorial government spending on health is expected to account for 65.1% of total health expenditure in 2019.<sup>iii</sup> Another 5.3% will come from other parts of the public sector: federal direct government, municipal government and social security funds. Since 1997, the public-sector share of total health expenditure has remained relatively stable at around 70%.

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iii. National health expenditures are reported based on the principle of responsibility for payment rather than on the original source of the funds. It is for this reason that federal health transfers to the provinces/territories are included within the provincial government sector, since it is the responsibility of provincial/territorial governments to expend federal transfers on health services.

It is estimated that private-sector spending<sup>iv</sup> will account for 30% of total health expenditure in 2019. The private sector is made up of 3 spending categories, the largest of which is expected to be out-of-pocket spending (14.4%), followed by private health insurance (12.3%) and non-consumption<sup>v</sup> (2.9%) (Figure 5).

**Figure 5** Who is paying for these services?



**Source**

National Health Expenditure Database, Canadian Institute for Health Information

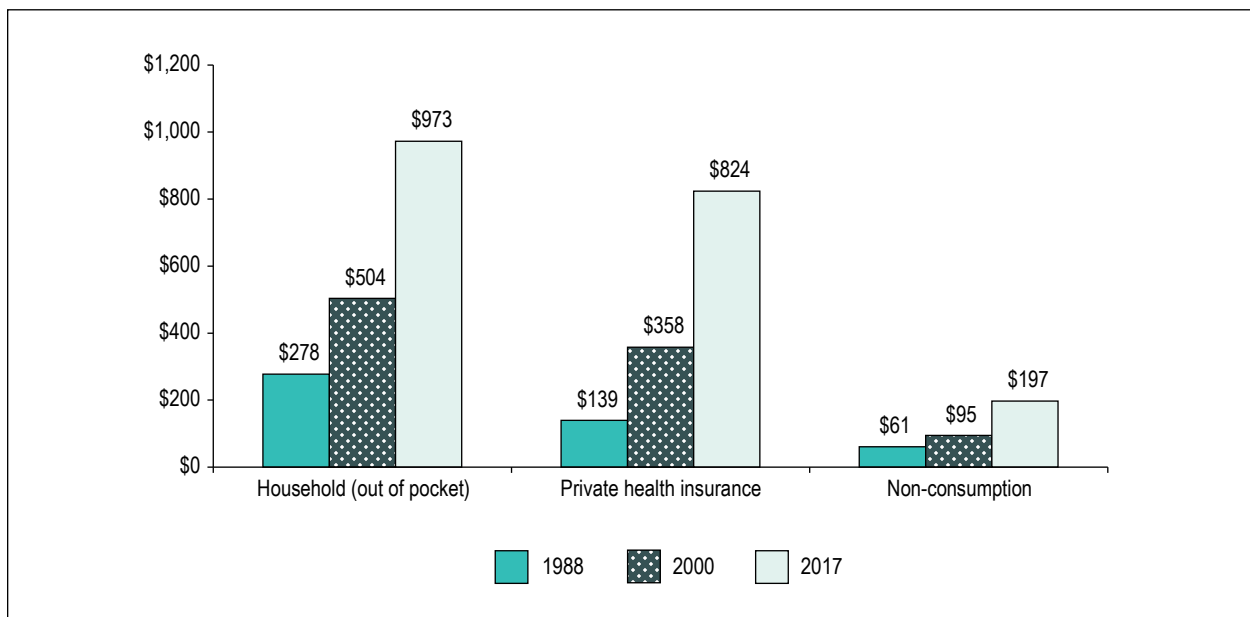
- iv. Private-sector spending captures payment from private sources without distinguishing between private or public providers of goods and services.
- v. Non-consumption expenditure includes a number of diverse components, such as hospital non-patient revenue, capital expenditures for privately owned facilities and health research.

## Out-of-pocket health expenditure more than \$970 per person

Out-of-pocket health expenditure per person increased from \$278 in 1988 (the first year for which data at this level of detail is available) to \$973 in 2017. Private health insurance expenditure per person increased from \$139 to \$824 over the same period (Figure 6).

After accounting for inflation,<sup>vi</sup> the average annual growth from 1988 to 2017 for out-of-pocket spending and private insurance was 2.2% and 4.1%, respectively.

**Figure 6** Private-sector health expenditure per capita, source of finance, Canada, 1988, 2000 and 2017



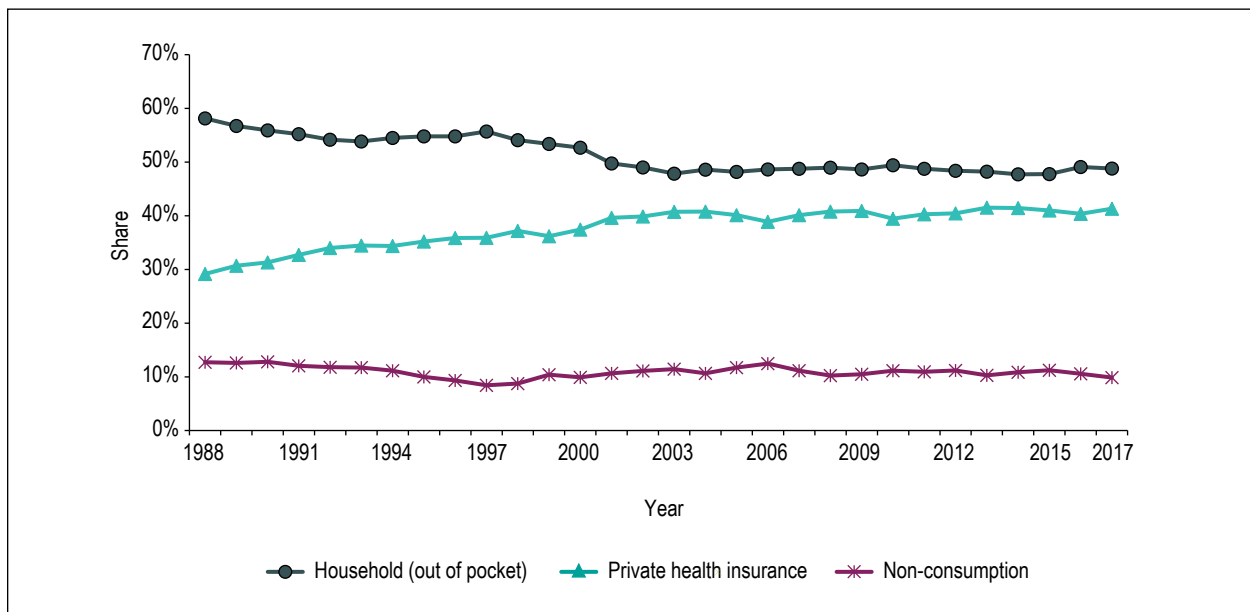
**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

<sup>vi</sup>. The health component of the Consumer Price Index was used as a deflator.

In 2017, out-of-pocket expenditure accounted for 48.8% of private-sector expenditure, down from 58.1% in 1988. Private health insurance expenditure has grown more rapidly than out-of-pocket spending. As a result, the share of private health insurance has steadily increased, reaching 41.3% in 2017, up from 29.2% in 1988 (Figure 7). On the other hand, non-consumption accounted for 9.9% of private-sector health expenditure in 2017, down slightly from 12.7% in 1988.

**Figure 7** Share of private-sector health expenditure by source of finance, Canada, 1988 to 2017



**Note**

See data tables H.2, H.3 and H.4 in the companion Excel file.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

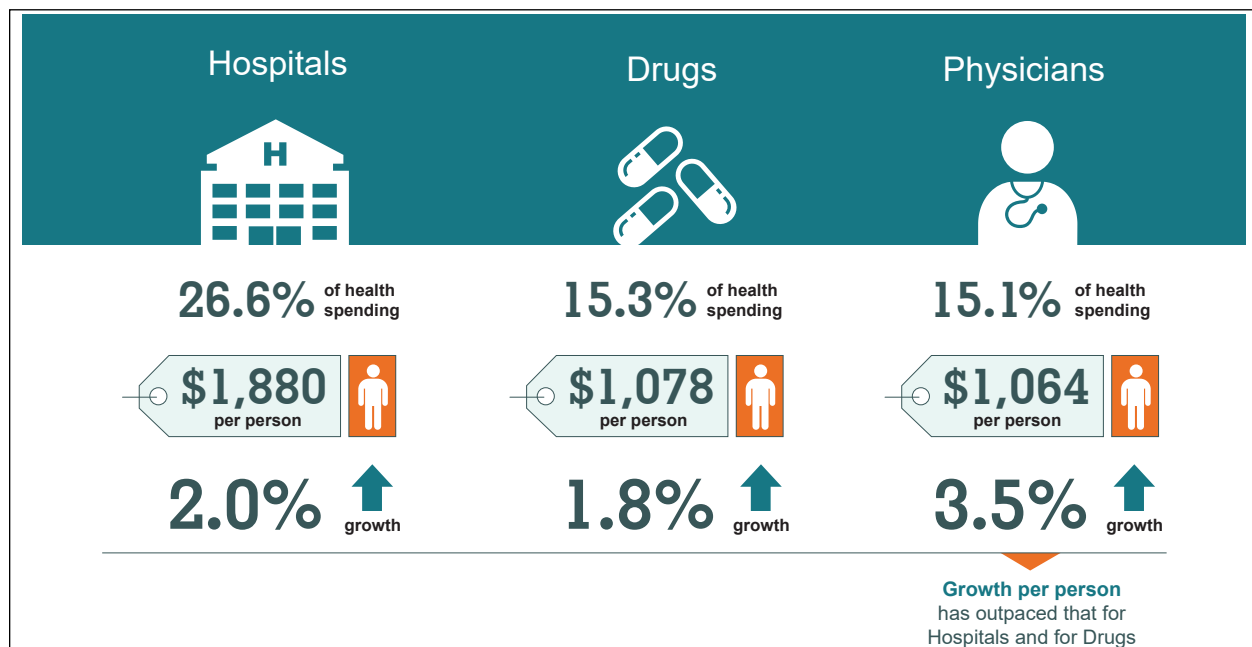
# Health expenditure by use of funds

## Physicians expenditure growth highest among 3 largest health spending categories

Hospitals (26.6%), Drugs (15.3%) and Physicians (15.1%) are expected to continue to account for the largest shares of health dollars (close to 60% of total health spending) in 2019 (Figure 8). Although spending continues to grow in all 3 categories, the pace varies:

- **Hospitals** spending will grow by an estimated 2.0% in 2019, reaching \$1,880 per person. The majority (more than 60%) of Hospitals expenditure is spent on compensation for the hospital workforce.
- **Drugs** spending is projected to be \$1,078 per person, an increase of 1.8% in 2019.
- **Physicians** spending is forecast to be \$1,064 per person in 2019, a growth rate of 3.5% over last year. The growth of Physicians expenditure has outpaced that for Hospitals and for Drugs, due in part to the increased number of physicians.

**Figure 8** Per capita growth for Physicians will outpace that for Hospitals and for Drugs in 2019



**Notes**

Drug spending includes expenditures on prescribed and non-prescribed products, purchased in retail stores. Drugs dispensed in hospitals are captured in the Hospitals category. In 2017, the most recent year for which data is available, \$2.3 billion was spent on drugs dispensed in hospitals (excluding Quebec and Nunavut).<sup>2</sup>

Refer to the Methodology Notes for other potential sources of health spending data.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

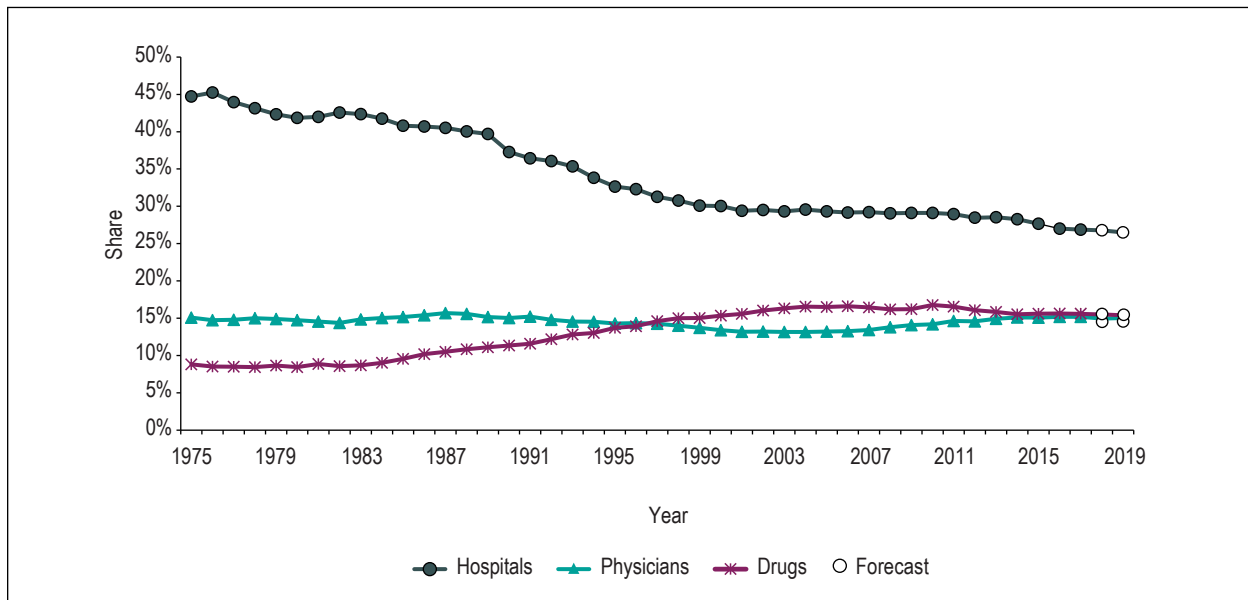


## Shifting shares of health spending over time

The shares of health expenditure have changed over time for the 3 largest spending categories: Hospitals, Physicians and Drugs (Figure 9).

- The **Hospitals** spending share decreased from 44.7% of total health expenditure in the mid-1970s to 26.6% in 2019.
- **Physicians** spending as a percentage of total health expenditure started edging down in 1988. However, this trend reversed in the mid-2000s. Since 2005, Physicians spending as a share of total health care spending has increased, due in part to the sustained increase in the number of physicians. In 2019, the share (15.1%) recovered to levels comparable with those in the late 1980s.
- The **Drugs** spending share has been increasing since the mid-1980s, and this category has accounted for the second-largest share (15.3% in 2019) of health spending, after Hospitals, since 1997.

**Figure 9** Total health expenditure, share of selected health spending categories, Canada, 1975 to 2019



### Note

See data table A.3.1.2 in the companion Excel file.

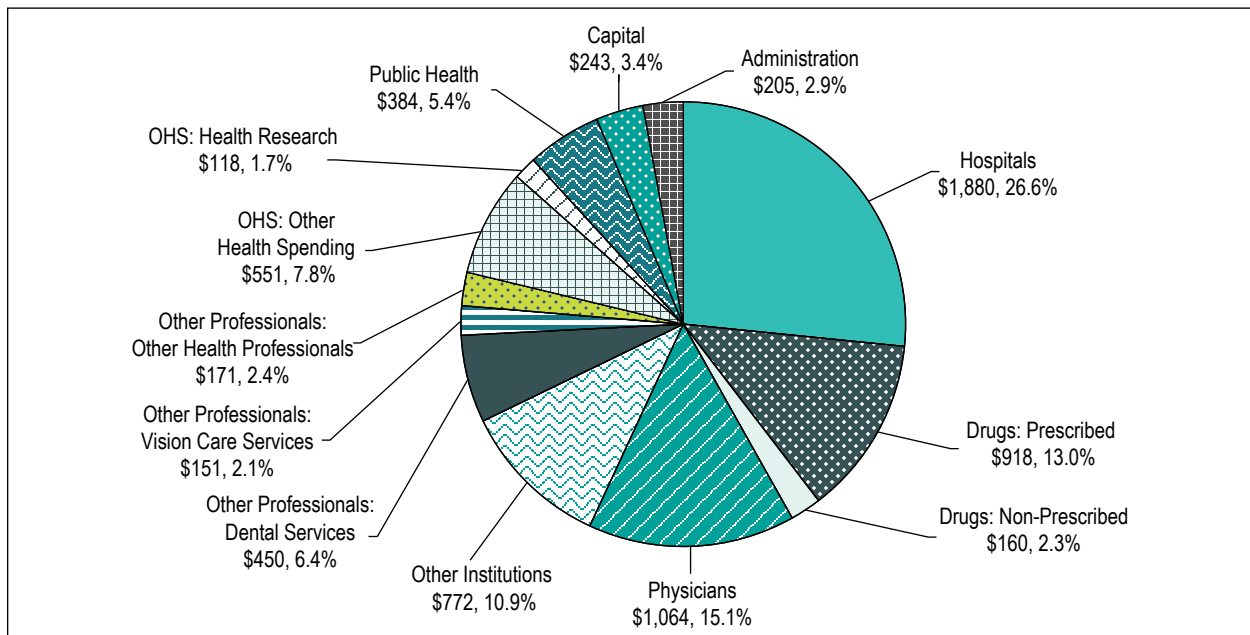
### Source

National Health Expenditure Database, Canadian Institute for Health Information.

## Other health care goods and services account for over 40% of total health spending

Health dollars are used to purchase health care goods and services, to provide capital investment,<sup>vii</sup> to administer public and private insurance plans as well as public-sector health programs, and to fund research. These uses are grouped into major categories (uses of funds) throughout most of the national health expenditure data series. Of the remaining 43.1% of health expenditure — after Hospitals, Drugs and Physicians — Other Institutions (mainly long-term care facilities) will account for 10.9% of the total in 2019, while Other Health Professionals (dental, vision, other) will account for 10.9% (Figure 10).

**Figure 10** Total health expenditure per capita by health spending category,<sup>viii</sup> Canada, 2019 (dollars and percentage share)



**Notes**

OHS: Other Health Spending includes a new broader definition of home and community care spending. For information on the development of home and community care spending estimates in Canada, see the Methodology Notes. See data tables A.3.1.2 and A.3.1.3 in the companion Excel file. See the Methodology Notes for definitions.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

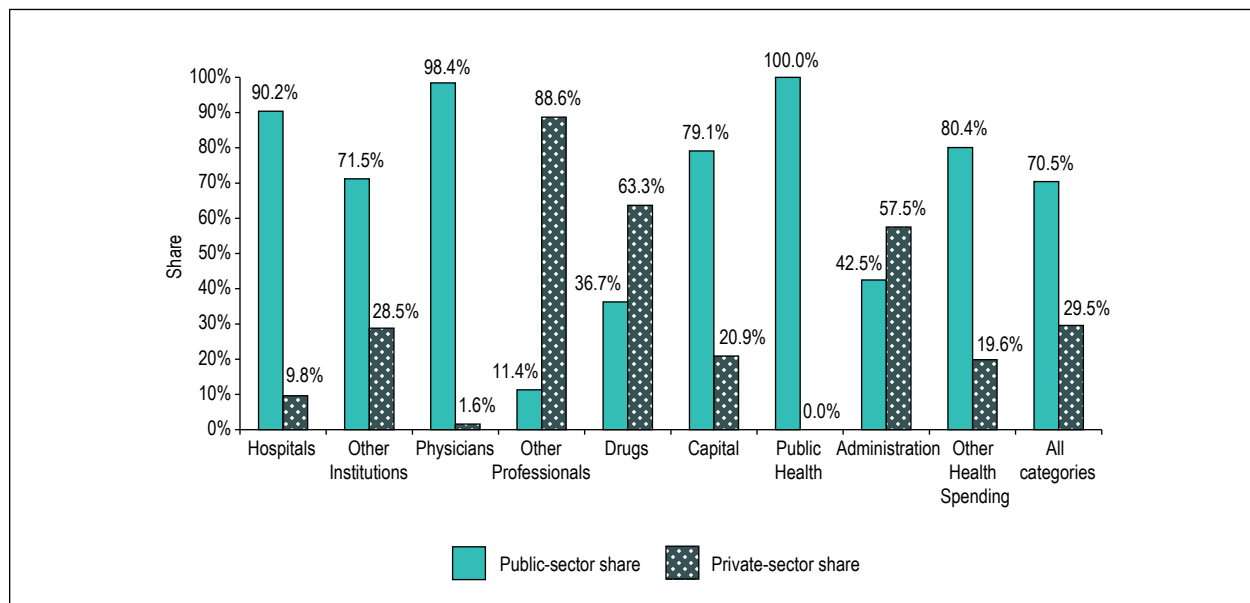
<sup>vii.</sup> Capital expenditures are obtained from Statistics Canada. The 2019 data represents capital intentions. These may be revised when actual expenditures become available. As observed by the OECD, “The level of capital expenditure tends to fluctuate more from year to year than current spending on health services, as investment decisions can be much more dependent on economic circumstances and political or business choices as well as reflecting future needs and past levels of investment.”<sup>3</sup> (p. 231)

<sup>viii.</sup> Administration expenditures in NHEX are related to the cost of providing health insurance programs by the government and private health insurance companies and all costs for the infrastructure to operate health departments. This category would include, for example, expenditures for the human resources and finance departments within ministries of health. Please see the Methodology Notes for more details. Other data sources at CIHI such as the Canadian MIS Database (CMDB) and Your Health System web tool capture measures of “administration” that differ. Readers should exercise caution when comparing the different concepts across data holdings.

## Financing of health care goods and services differs

Services covered under the *Canada Health Act*, such as those in the Hospitals and Physicians categories, are financed mainly by the public sector, while the Drugs and Other Professionals categories are financed primarily from private-sector sources (Figure 11).

**Figure 11** Public and private shares of total health expenditure, by health spending category, Canada, 2019



### Notes

See data tables C.2.4 and C.3.4 in the companion Excel file. See the Methodology Notes for definitions.

Other Health Spending includes public-sector home and community care expenditure; data for the private sector is not available.

### Source

National Health Expenditure Database, Canadian Institute for Health Information.

## Health expenditure in the provinces and territories

### Provincial/territorial health expenditures vary

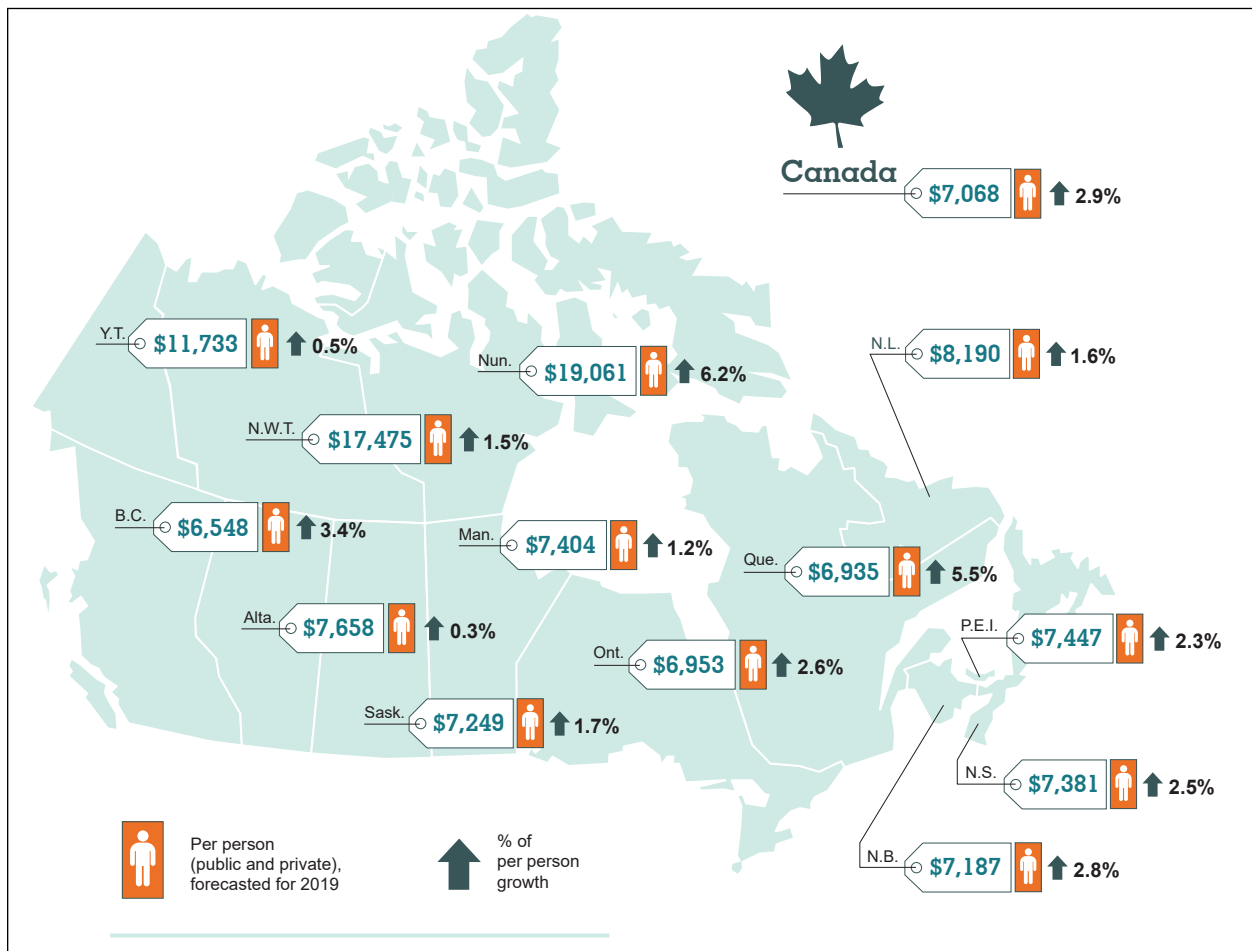
Health expenditure per capita varies among provinces/territories in part because of different age distributions.<sup>ix</sup> Population density and geography also affect health expenditure, particularly in the case of the territories. Other factors that affect health expenditure include

<sup>ix</sup>. Provincial/territorial comparisons in this discussion are based on figures that are not adjusted for variations in age and sex.

population health needs, the manner in which health care is delivered (including the balance between institutional and ambulatory care) and differences in the remuneration of health care workers across the country. The manner in which health care is financed is also an important consideration, including the degree of public coverage and private insurance for services not included in the *Canada Health Act*.

Health expenditure per capita is highest in the territories because of, among other things, their large geographical areas and low populations. In the provinces in 2019, total health expenditure per capita is forecast to range, for example, from \$8,190 in Newfoundland and Labrador to \$6,953 in Ontario and \$6,548 in British Columbia (Figure 12).<sup>x</sup>

**Figure 12** How do the provinces and territories compare?



**Note**

Alberta’s provincial government had not released its Main Estimates for 2019–2020 at the time the NHEX data was produced. As a result, 2018–2019 data was used as a proxy for 2019–2020.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

x. The provincial/territorial NHEX chartbook presents trends for each jurisdiction.

## Standardization for age and sex

Similarities in provincial and territorial government per capita health expenditures arise in large part because of universal coverage for medically necessary hospital and physician services under the *Canada Health Act*. However, each jurisdiction has different population age and sex profiles, which could lead to systematic differences in total health expenditure (even if per capita expenditure were virtually the same for each age and sex group). Standardizing expenditure to a common population distribution provides a means of measuring differences that result from other factors such as utilization and prices. (Adjusting for other factors is not feasible at this time.)

Table 1 shows both actual and standardized expenditures for 2017 (the latest year for which age sex data is available).

**Table 1** Provincial/territorial government health expenditure per capita, standardized for age and sex, by province/territory and Canada, 2017

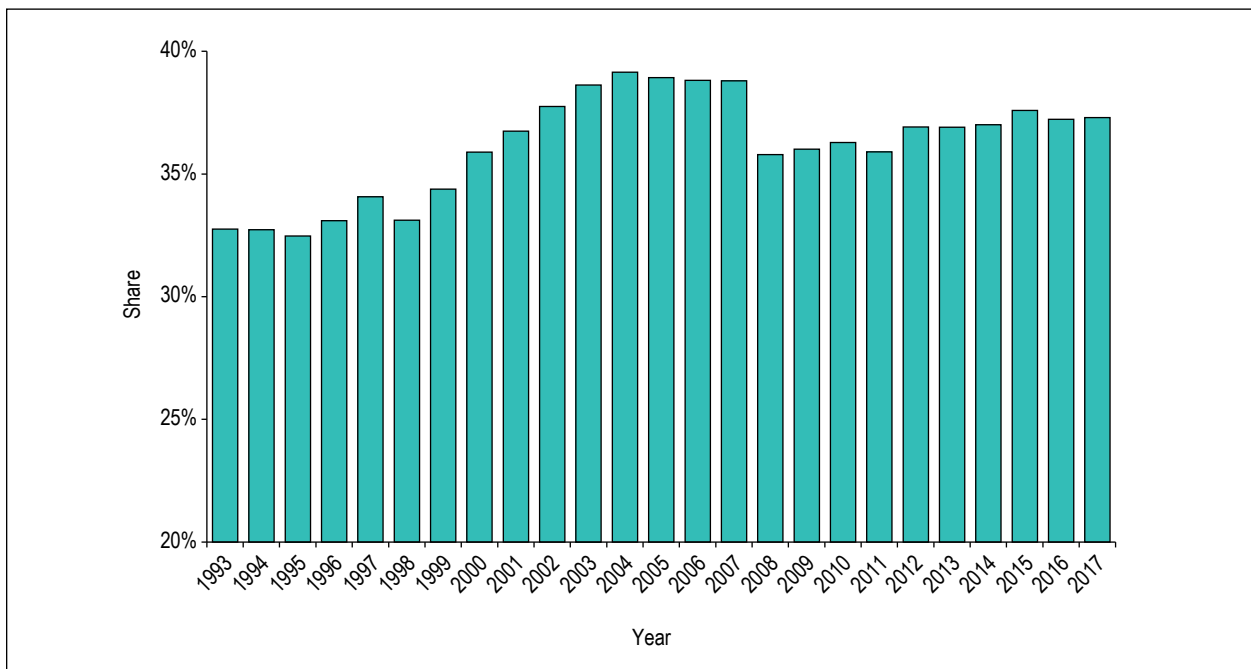
Jurisdiction	Actual	Standardized
N.L.	\$5,750	\$5,577
P.E.I.	\$4,715	\$4,548
N.S.	\$4,651	\$4,379
N.B.	\$4,434	\$4,154
Que.	\$4,187	\$4,027
Ont.	\$4,133	\$4,142
Man.	\$4,759	\$4,933
Sask.	\$4,920	\$5,028
Alta.	\$5,081	\$5,692
B.C.	\$4,040	\$3,957
Y.T.	\$9,196	\$10,703
N.W.T.	\$11,226	\$16,216
Nun.	\$13,737	\$23,274
Canada	\$4,360	\$4,360

Data table B.4.6. in the companion Excel file presents provincial/territorial government per capita health expenditure standardized by age and sex, from 1998 to 2017.

## Health spending is a significant share of total program spending

Health's share of total provincial/territorial government program expenditures (e.g., on health, education, transportation/communication, social services) was around 37% in 2017 (Figure 13), the most recent year of data available.

**Figure 13** Provincial/territorial government health expenditure as a proportion of total provincial/territorial government programs, Canada, 1993 to 2017



**Notes**

See data table B.4.4 in the companion Excel file.

Financial Management System (FMS) data is available for 1993 to 2007 only, due to Statistics Canada's decision to move toward reporting government statistics on a Government Finance Statistics (GFS) 2001 basis.

GFS data is available from 2008 to 2017.<sup>xi, xii</sup>

**Sources**

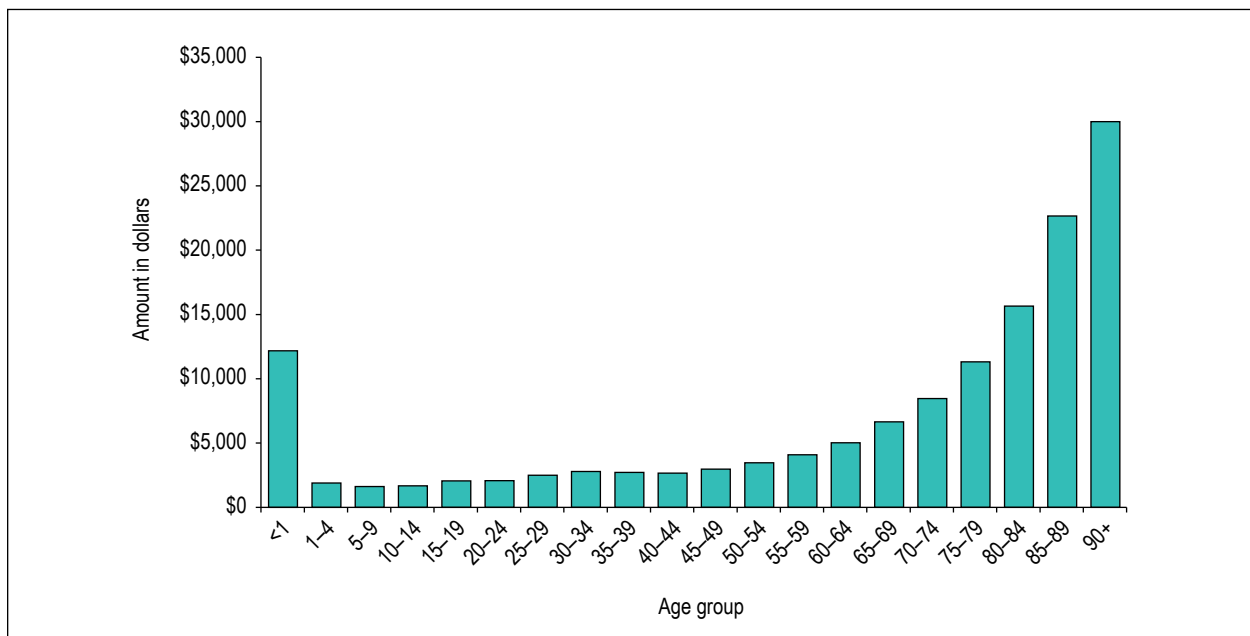
National Health Expenditure Database, Canadian Institute for Health Information; Statistics Canada.

- xi. The FMS was founded on a modified cash-based system of accounting. Recently, Canadian governments decided to move to an accrual-based accounting system. In addition, an internationally accepted GFS manual has been developed. Given the significant work effort to transition to the GFS standard, most FMS-based government finance statistics have not been updated since reference year 2007–2008. More information on the move from FMS- to GFS-based government finance statistics can be found in the article [Moving from the Financial Management System to Government Finance Statistics](#).
- xii. GFS data is extracted from administrative files and derived from other Statistics Canada surveys and/or other sources. The data is compiled for the entire government sector, which includes federal, provincial, territorial and local governments and their agencies. Statistics Canada now produces health spending data on a GFS basis. See the Methodology Notes for a comparison with NHEX.

## Provincial/territorial government health spending differs among age groups

Per capita health care spending by provincial and territorial governments is highest for seniors and infants (Figure 14). In 2017 (the latest available year for data broken down by age group), the cost for Canadians younger than age 1 was an estimated \$12,161 per person, on average. For youths age 1 to 14, per-person average spending on health was \$1,710; the equivalent for those age 15 to 64 was \$3,052, and the average was \$11,483 for those 65 and older.

**Figure 14** Provincial/territorial government health expenditure per capita, by age group, Canada, 2017



**Note**

See data table E.1.20.2 in the companion Excel file.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

The companion data tables (Series E1) for this report present results for each province/territory and age group, back to 1996.

# Analysis

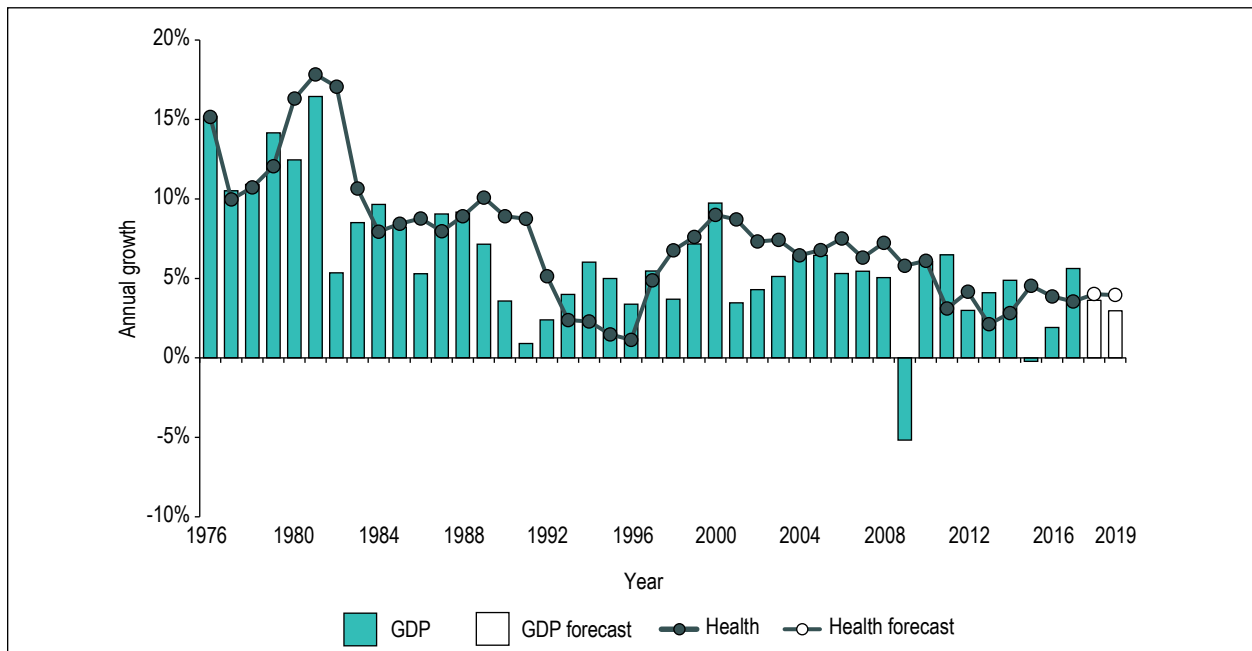
## More economic growth, more health care spending

There has been a positive relationship between economic growth and health care spending growth in Canada since the mid-1970s. In general, with more economic growth, and thus income, comes more spending on health care. The exception is the fiscal restraint periods from 1993 to 1996 and from 2011 to 2014, when governments attempted to reduce or eliminate budget deficits.

When viewing Canada’s health care spending trends in the larger global context, Canada’s experience parallels that of other countries in the OECD. The most obvious similarity is the positive correlation between growth in health care spending and growth in the economy between 2000 and 2010.<sup>4</sup>

Current trends show modest health care spending in line with economic growth (Figure 15).

**Figure 15** Total health expenditure and nominal GDP, annual growth, Canada, 1976 to 2019



**Note**

See data table A.1 and Appendix A.1 in the companion Excel file.

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information; gross domestic product, Statistics Canada.



## Governments' fiscal position influences health spending trends

Starting in the late 1990s and through the last decade, public-sector health spending grew faster than government revenue. However, spending growth in other major sectors, including transportation/communication and education, also exceeded revenue growth. This was a result of the fiscal dividend that governments earned through eliminating deficits and bringing down debt loads in the 1990s, thereby reducing — quite substantially — the interest they had to pay on outstanding debt in the years following. However, not all of the fiscal dividends were invested in government programs such as health care. Some of the dividend was returned to Canadians in the form of tax cuts, thus also explaining the relatively weak growth of government revenues during the decade.

In the wake of the global recession in 2009 and the return of fiscal deficits, the foundation for a fiscal dividend has not continued. Furthermore, total Canada Health Transfer (CHT) levels were set in legislation to grow at 6% until 2016–2017. Starting in 2017–2018, the total CHT has been set to grow in line with a 3-year moving average of nominal GDP, with funding guaranteed to increase by at least 3% per year. Historically, changes in the growth of the CHT have affected the growth of provincial/territorial government health care spending.

In the 2017 federal budget, the government confirmed an investment of \$11 billion over 10 years, provided to the provinces and territories, specifically targeted at improving home and community care and mental health and addictions services. It also allocated \$544 million over 5 years to federal and pan-Canadian health organizations to support health innovation and pharmaceutical initiatives.

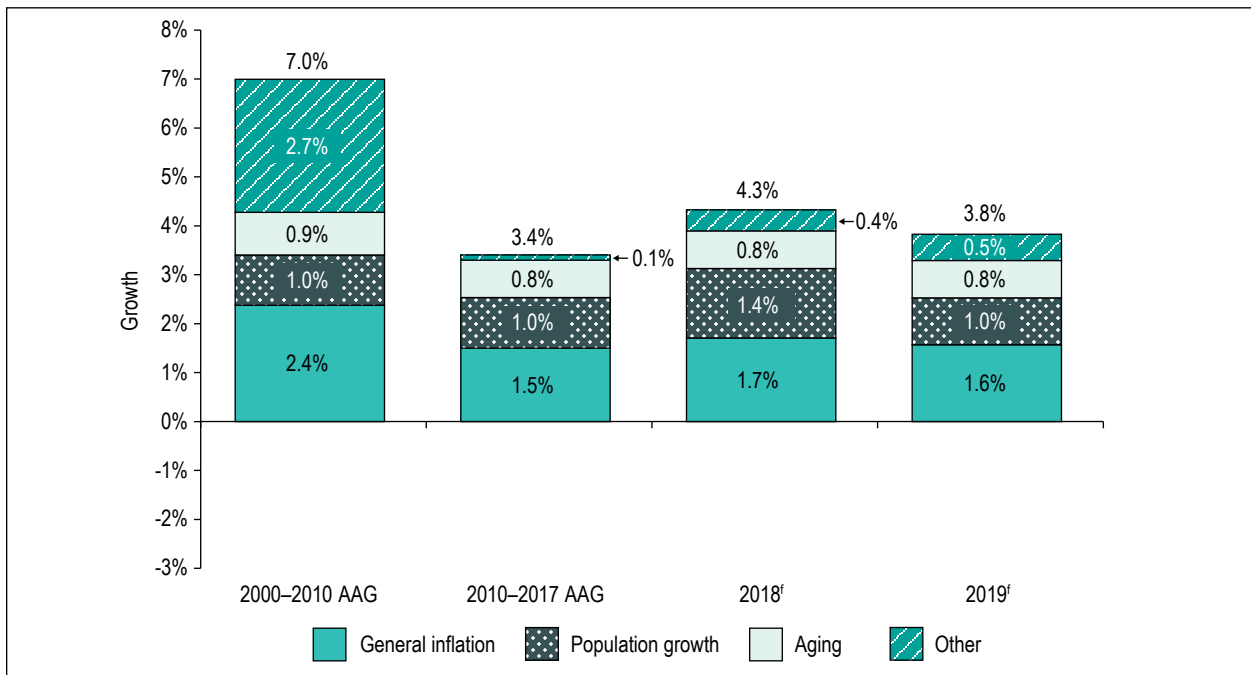
### Health care cost drivers

In November 2011, CIHI published a special report titled *Health Care Cost Drivers: The Facts.*, which shed light on the underlying factors influencing health care costs.<sup>4-7</sup> The report examined growth in public-sector health care spending from 1998 to 2008 in relation to macroeconomic factors such as fiscal capacity and growth in GDP. As well, the major spending categories Hospitals, Drugs and Physicians were analyzed. The analysis used a common analytical framework that focused on price effects, demographics (population growth and aging) and other effects, such as volume and mix of services, technology and innovation.

Price effects have been a significant driver of overall health spending.<sup>xiii</sup> Population growth added, on average, 1.0 to 1.4 percentage points per year to public-sector health care spending, while population aging, at 0.8 to 0.9 percentage points per year, added even less to the total growth (Figure 16). Demographic factors (population growth and aging), estimated at 2% combined, have been a relatively modest contributor to the growth in health spending in the last decade. However, these 2 factors vary considerably among provinces and territories.

“Other” includes all other factors as a residual, such as health-sector inflation above the rate of general inflation, health system efficiency, and changes in technology and service utilization (Figure 16).

**Figure 16** Cost driver shares of average annual growth in public-sector health spending, 2000 to 2010 and 2010 to 2017, compared with annual growth in 2018 and 2019



**Notes**

AAG: Average annual growth.

f: Forecast.

Health spending data by age and sex is available up to 2017.

Totals might not add up due to rounding.

Forecast is subject to revision when actual data becomes available in subsequent years. Based on past experience, growth may be revised upward. “These revisions reflect a tendency for governments to overshoot their budget targets generally and in health-related programs particularly.”<sup>11</sup> (p. 1)

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information; gross domestic product, Statistics Canada.

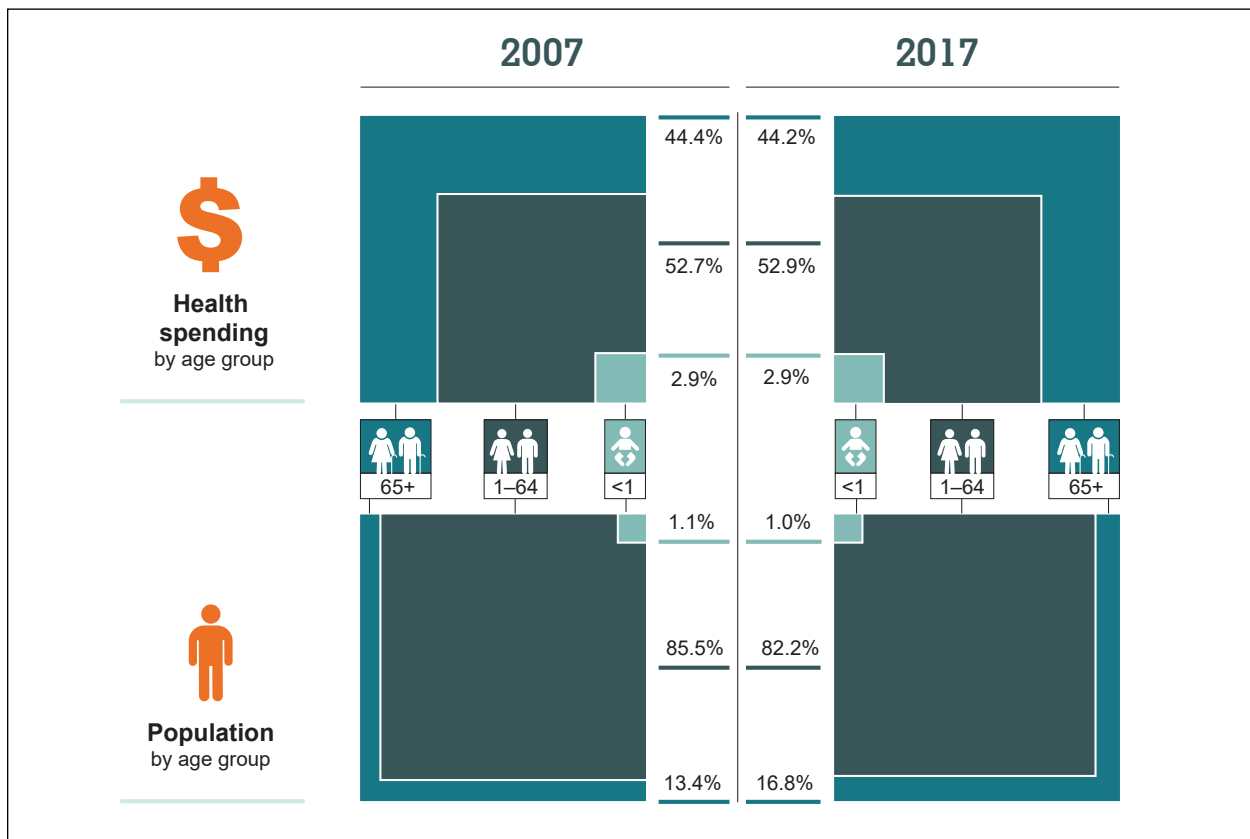
<sup>xiii</sup>. Since no ideal measure of inflation for the entire health care sector exists, economy-wide inflation was used for the purpose of the cost drivers study.

## Spending is highest on seniors; however, population aging is a modest cost driver

While Canadians age 65 and older account for about 17% of the Canadian population, they use about 44% of all public-sector health care dollars spent by the provinces and territories. However, seniors are a diverse group. In 2017 (the latest available year for data broken down by age group), per-person spending for seniors increased considerably with age: \$6,656 for those age 65 to 69, \$8,467 for those 70 to 74, \$11,324 for those 75 to 79, and \$20,793 for those 80 and older.

Overall, population aging is a modest driver of increasing health care costs, estimated at 0.8% per year. The share of public-sector health care dollars spent on Canadian seniors has not changed significantly over the past decade — from 44.4% in 2007 to 44.2% in 2017. During the same time period, the percentage of seniors in the population grew from 13.4% to 16.8% (Figure 17).

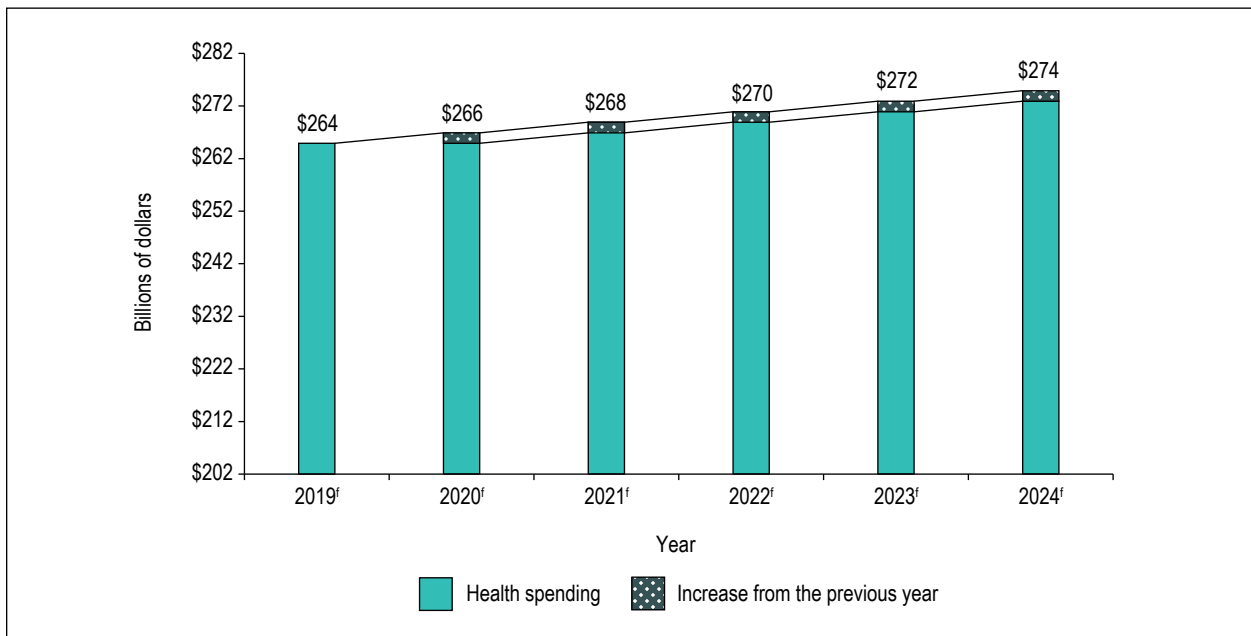
**Figure 17** Has the share of health spending on seniors changed?



**Source**  
National Health Expenditure Database, Canadian Institute for Health Information.

Although a modest cost driver, the continued aging of the population will steadily increase future health spending. Assuming population aging continues to contribute approximately 1 percentage point per year to total health expenditure in the near future, aging alone will add around \$2 billion per year to health spending in Canada. Figure 18 presents the potential contribution of population aging (at 0.8% annual growth) to overall health expenditure for the next 5 years. As the population continues to age, decision-makers will be faced with the challenge of determining the level of care (hospital, long-term institutional and community) for older Canadians that balances access to and quality and appropriateness of care with the cost of care.

**Figure 18** Potential near-term contribution of population aging to total health expenditure



**Note**

f: Forecast.

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information; Statistics Canada.

## Issues to monitor in the future

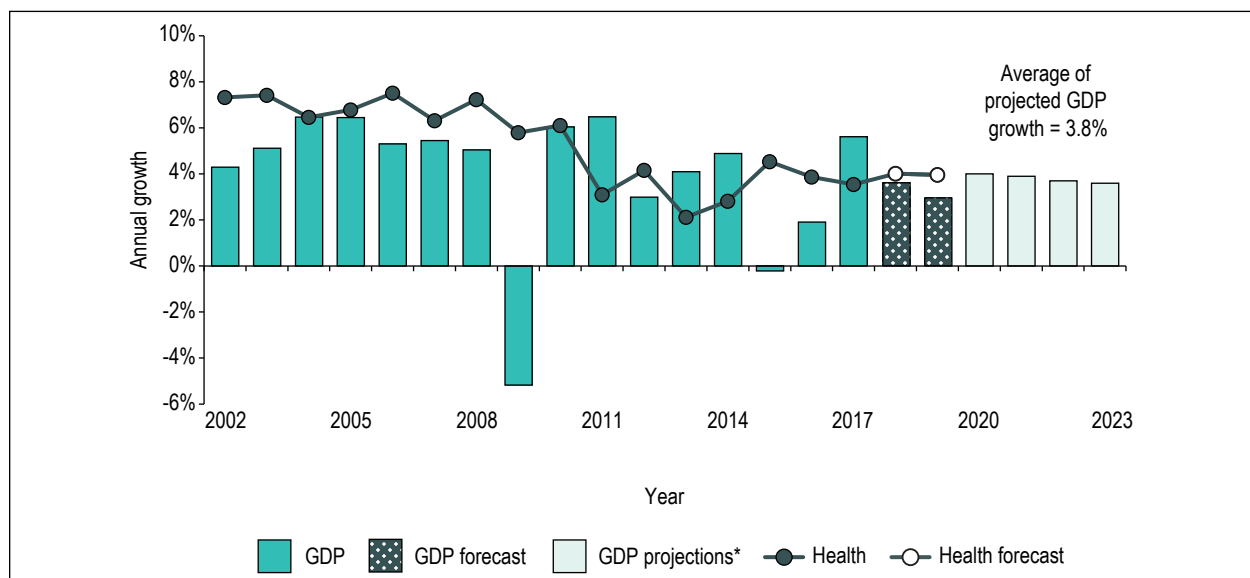
### Continuous growth

According to the OECD, “Global growth is set to remain at a modest pace.”<sup>8</sup> (p. 20) Global real GDP growth is projected to be 3.2% in 2019 and 3.4% in 2020.<sup>8</sup>

In Canada, economic growth continues, despite a slowdown in late 2018 and early 2019. As forecast by the Bank of Canada, “. . . economic growth will strengthen to slightly above potential in 2020 and 2021.”<sup>9</sup> (p. 13)

Historically, Canada, like other OECD countries, has seen health spending grow similar to, and at times faster than, the overall economy. “During the 1990s and early 2000s, health spending in OECD countries was generally growing at a faster pace than the rest of the economy, leading to an almost continual rise in the health expenditure to GDP ratio. After a period of volatility during the economic crisis, the average share has remained relatively stable in recent years, as growth in health spending across the OECD has broadly matched overall economic growth.”<sup>3</sup> (p. 211) Looking forward, continuous economic growth and the prospects of higher government revenues in the next few years may lead to sustained health spending increases in the near future (Figure 19).

**Figure 19** Total health expenditure, and nominal GDP and projection, annual growth, Canada



**Note**

\* Data from *Economic and Fiscal Outlook, April 2019*.

**Sources**

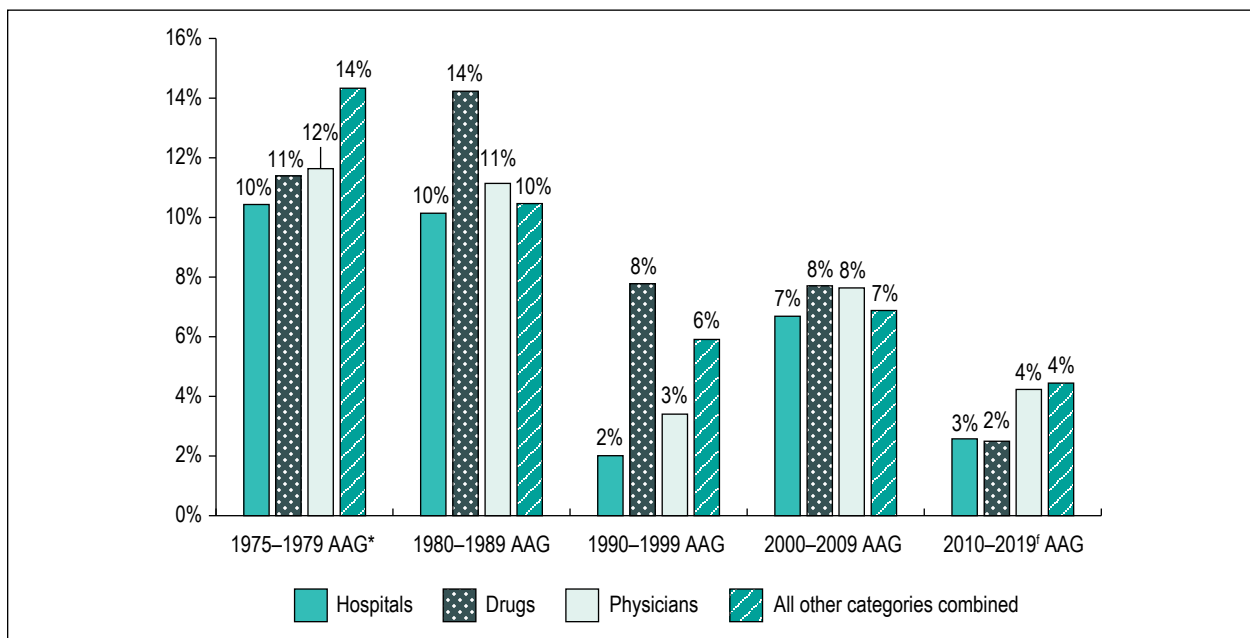
National Health Expenditure Database, Canadian Institute for Health Information.  
Office of the Parliamentary Budget Officer. [Economic and Fiscal Outlook, April 2019](#). 2019.

Looking at inflation-adjusted GDP at the provincial/territorial level, the recent Statistics Canada article [Gross domestic product by industry: Provinces and territories, 2018](#) stated, “In 2018, real gross domestic product (GDP) increased in nine provinces and in all territories. Real GDP declined in Newfoundland and Labrador.”<sup>10</sup> (p. 1) Looking forward, uncertainty around the strength of economic growth prospects in some jurisdictions could lead to uneven health spending growth that is less broad-based. In addition, some jurisdictions are taking policy measures to address current fiscal pressures. As a result, growth in health expenditures across provinces and territories will continue to vary.

## Policy decisions, evolution of health systems

It is useful to put health spending growth into perspective by looking at trends over a longer period of time. As shown in Figure 20, there have been variations in the pace of health spending growth of the 3 largest spending categories (Hospitals, Drugs and Physicians) in each of the last 4.5 decades.

**Figure 20** Average annual growth in total health expenditure, by selected spending categories, by decade



**Notes**

\* Only a half decade of data is available.

AAG: Average annual growth.

f: Forecast.

“All other categories combined” includes Other Institutions, Other Professionals, Public Health, Capital, Administration and Other Health Spending.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

**Drugs spending** represents the second-largest component of overall health care costs. Drugs spending growth was highest in the 1980s when many new drugs were coming onto the market and utilization was rising. In the current decade, moderate growth in Drugs spending was achieved, largely due to the expiration of patents on many widely used blockbuster medications like statins (commonly used to lower cholesterol). In addition, public drug programs implemented policies that limited the prices they were willing to pay for generic drugs. A key finding in CIHI's report [Prescribed Drug Spending in Canada, 2018](#) is that savings from generic entries and pricing policies continued to offset some of the growth in the Drugs category.<sup>11</sup>

According to the Patented Medicine Prices Review Board, "A greater than average number of new medicines were launched in 2017, many of which were higher-cost medicines."<sup>12</sup> (p. iv) Another policy decision that could impact drug spending is the potential for national pharmacare. As indicated in the Health Canada report [A Prescription for Canada: Achieving Pharmacare for All](#), "By 2027, total spending on prescription drugs would be \$5 billion lower than it would be without national pharmacare."<sup>13</sup> (p. 14)

Another area of evolution is in the **Hospitals category**. During the 1980s, higher growth in hospital spending was driven by higher remuneration and more staff to deliver more services. During periods of fiscal restraint in the 1990s and earlier this decade, hospital funding slowed and institutions had to reduce the growth in their expenditures accordingly. As public facilities, hospitals have no profit motive. Instead, they attempt to maximize health care delivery within their funding envelope.

Hospitals have responded by changing how they deliver care. Less-complex cases that were once treated as inpatients are increasingly treated on an outpatient basis, leading to an increase in the complexity of both inpatients and outpatients. Over time, this has led to a large overall rise in ambulatory and community visits, while inpatient activity has seen only modest growth.

Data reported by the OECD shows that the number of hospital beds per 1,000 population in Canada decreased from 3.0 in 2006 to 2.5 in 2018 for publicly owned hospitals in Canada.<sup>14</sup> As noted by the OECD, "Since 2000, the number of beds per capita has decreased in nearly all OECD countries. . . . Part of the decrease can be attributed to advances in medical technology, allowing for more surgery to be performed on a same-day basis, or as part of a broader policy strategy to reduce the number of hospital admissions."<sup>3</sup>

With improved spending prospects, some provinces have identified new investments in hospital infrastructure. For example, in the [2018 Ontario budget](#), about \$19 billion in grants over the next 10 years was allocated for building and renovating hospitals.<sup>15</sup> [The Québec Economic Plan: Health — Accessible, Quality Health Services](#) from March 2018 stated "the government has carried out major works in Quebec hospitals . . . and other projects are underway and will continue in the coming years."<sup>16</sup> (p. 16)

For the 12th year in a row, as described in CIHI's report [Physicians in Canada, 2018](#), the number of **physicians** increased at a faster rate than the number of people in the population, resulting in more physicians per person than ever before — 241 doctors per 100,000 population.<sup>17</sup> Based on the number of MD degrees awarded by Canadian universities, the number of physicians is likely to continue to grow.<sup>18</sup>

Nationally, the proportion of family medicine and specialist physicians has remained relatively equal since the late 1970s, with family medicine physicians representing between 50% and 53% of the physician workforce. In terms of payments, the average gross clinical payment to family medicine physicians increased by 1.4% in 2017–2018 to \$281,000. The average gross clinical payment per medical specialist and the average per surgical specialist remained virtually unchanged from 2016–2017 (up 0.7% to \$360,000 and up 0.8% to \$481,000, respectively).

More physician services and an increase in utilization will continue to contribute to a rise in Physicians expenditure in the future. However, the impact of technological innovation on the evolution of care is uncertain. As noted by the OECD, “New **health technologies** are a further factor driving rapid change in the health and social care sector, and their development and impact can be hard to predict. Technological shifts are expected in information technology and big data, automation, artificial intelligence, and may generate demand for new specialties or skills for health and social care workers, while reducing the importance of other professional roles.”<sup>3</sup> (p. 239)

## Future directions

It is important to note that the provision of health care in Canada continues to evolve. For example, governments and policy-makers have prioritized home-based care and community services, as well as public health and mental health, as essential elements of patient-centred and integrated health care systems. Recent budgets have committed new investments targeted at improving home and community care services, as well as mental health services.

Currently, these home and community care expenditures are not shown as a separate category in NHEX. The variation in definitions, the mix of services provided and the funding sources across jurisdictions creates challenges for identifying a complete estimate. Unlike hospital or physician services, home and community care services are not insured services legislated by the *Canada Health Act*.<sup>19</sup> Each jurisdiction (federal, provincial and territorial) has developed its own unique system. An initiative is under way at CIHI to enhance the quality of existing data and, most importantly, to estimate home and community care spending as its own category. As a result of these ongoing efforts, an initial estimate of publicly funded home and community care expenditures by provincial and territorial governments in Canada can be made: \$9.2 billion in 2017–2018.<sup>xiv</sup> A future NHEX discussion document will refine and build upon this initial estimate.

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<sup>xiv</sup>. For information on the development of home and community care spending estimates in Canada, see the Methodology Notes.



# Appendix A: Health expenditure data in brief

Health spending data category and component	Unit description	Period of latest data	Latest data	Data for previous period	Change from previous period
<b>Total</b>					
Health spending at current price	Billions of dollars	2019	264.4	254.5	3.9%
Health spending per capita at current price	Dollars	2019	7,068	6,867	2.9%
Health spending at constant price	Billions of dollars	2019	162.6	159.1	2.2%
Health spending per capita at constant price	Dollars	2019	4,347	4,293	1.3%
Total health expenditure as a percentage of GDP	Percentage	2019	11.6	11.5	0.9%
<b>By health spending category</b>					
Hospitals share of total health spending	Percentage	2019	26.6	26.8	-0.9%
Drugs share of total health spending	Percentage	2019	15.3	15.4	-1.1%
Physicians share of total health spending	Percentage	2019	15.1	15.0	0.5%
<b>By sector</b>					
Public-sector share of total spending	Percentage	2019	70.5	70.5	-0.1%
Private-sector share of total spending	Percentage	2019	29.5	29.5	0.2%
Out-of-pocket expenditure per capita	Dollars	2017	973.0	962.8	1.1%
Private insurance expenditure per capita	Dollars	2017	823.7	791.1	4.1%

Health spending data category and component	Unit description	Period of latest data	Latest data	Data for previous period	Change from previous period
<b>Total health expenditure per capita</b>					
Newfoundland and Labrador	Dollars	2019	8,190	8,065	1.6%
Prince Edward Island	Dollars	2019	7,447	7,282	2.3%
Nova Scotia	Dollars	2019	7,381	7,203	2.5%
New Brunswick	Dollars	2019	7,187	6,992	2.8%
Quebec	Dollars	2019	6,935	6,576	5.5%
Ontario	Dollars	2019	6,953	6,775	2.6%
Manitoba	Dollars	2019	7,404	7,319	1.2%
Saskatchewan	Dollars	2019	7,249	7,126	1.7%
Alberta	Dollars	2019	7,658	7,637	0.3%
British Columbia	Dollars	2019	6,548	6,334	3.4%
Yukon	Dollars	2019	11,733	11,678	0.5%
Northwest Territories	Dollars	2019	17,475	17,225	1.5%
Nunavut	Dollars	2019	19,061	17,953	6.2%
<b>Provincial/territorial spending by age</b>					
Cost per capita for infants (younger than age 1)	Dollars	2017	12,161	11,816	2.9%
Cost per capita for youths (age 1 to 14)	Dollars	2017	1,710	1,649	3.7%
Cost per capita for those age 15 to 64	Dollars	2017	3,052	2,966	2.9%
Cost per capita for seniors (age 65 and older)	Dollars	2017	11,483	11,485	0.0%
<b>International comparison (Canadian dollar purchasing power parity)</b>					
Total per capita for Canada	Dollars	2018	6,448	6,221	3.7%
Total per capita for OECD average	Dollars	2018	5,175	4,983	3.9%

**Note**

OECD: Organisation for Economic Co-operation and Development.

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information. Statistics Canada.

Organisation for Economic Co-operation and Development. [OECD Health Statistics 2019](#). 2019.

# Appendix B: Text alternative for figures

## Text alternative for Figure 1: How much will we spend on health in 2019?

Total health spending in Canada is projected to reach \$264.4 billion in 2019, with growth of around 3.9%. This will represent 11.6% of Canada's gross domestic product and equal \$7,068 per Canadian.

Health spending has trended upward since 1975, both in current dollars and in 1997 constant dollars. In current dollars, health spending reached \$100 billion around 2000 and \$200 billion around 2011.

### Source

National Health Expenditure Database, Canadian Institute for Health Information.

## Text alternative for Figure 4: How does Canada's health spending compare?

Canada is among the highest spenders on health care in the Organisation for Economic Co-operation and Development (OECD), at \$5,175 per person in 2018.

Although Canada was above the OECD average in terms of per-person spending on health care, our public-sector share of total health expenditure (70%) was below the OECD average (73%). The public-sector share of total health spending is the sum of expenditures for government schemes and compulsory health insurance.

Here are the numbers for 2018 per-person spending in Canadian dollars, health spending as a percentage of gross domestic product (GDP) and the public/private split for the OECD as a whole and 9 selected OECD countries, including Canada:

- OECD: \$5,175 per person; 8.8% of GDP; 73% public/27% private
- Canada: \$6,448 per person; 10.7% of GDP; 70% public/30% private
- United States:\* \$13,722 per person; 16.9% of GDP; 49% public/51% private
- France: \$6,436 per person; 11.2% of GDP; 83% public/17% private
- Germany: \$7,760 per person; 11.2% of GDP; 84% public/16% private
- Sweden: \$7,061 per person; 11.0% of GDP; 84% public/16% private
- Netherlands: \$6,855 per person; 9.9% of GDP; 82% public/18% private
- Australia: \$6,488 per person; 9.3% of GDP; 69% public/31% private
- New Zealand: \$5,085 per person; 9.3% of GDP; 79% public/21% private
- United Kingdom: \$5,275 per person; 9.8% of GDP; 77% public/23% private

Note that these numbers reflect total current expenditure, excluding capital. Spending data is based on the System of Health Accounts.

#### Notes

\* For the United States, the public- and private-sector shares are for 2017, and the public-sector share of total health spending excludes compulsory private insurance expenditures.

The public-sector share of total health spending is the sum of expenditures for government schemes and compulsory health insurance.

Total current expenditure (capital excluded). Expenditure data is based on the System of Health Accounts.

#### Source

Organisation for Economic Co-operation and Development. [OECD Health Statistics 2019](#). 2019.

### Text alternative for Figure 5: Who is paying for these services?

In 2019, the public sector will pay for about 70% of total health expenditures (65.1% from the provincial and territorial governments and 5.3% from other parts of the public sector).

Private-sector spending will account for the other 30% of total health expenditure in 2019. The private sector has 3 components, the largest of which is out-of-pocket spending (14.4%), followed by private health insurance (12.3%) and non-consumption (2.9%).

The public/private split has been fairly consistent since the early 2000s, with the public-sector share of total health spending remaining relatively stable at around 70%.

- In 2000, 2005, 2010 and 2017, the split was 70% public/30% private.

#### Source

National Health Expenditure Database, Canadian Institute for Health Information.

### Text alternative for Figure 6: Private-sector health expenditure per capita, source of finance, Canada, 1988, 2000 and 2017

Year	Household (out of pocket)	Private health insurance	Non-consumption
1988	\$278	\$139	\$61
2000	\$504	\$358	\$95
2017	\$973	\$824	\$197

#### Source

National Health Expenditure Database, Canadian Institute for Health Information.

### Text alternative for Figure 8: Per capita growth for Physicians will outpace that for Hospitals and for Drugs in 2019

Most health spending continues to be for hospitals, drugs and physician services. The growth of Physician spending has outpaced that for Hospitals and for Drugs.

Here's the forecast for each category in 2019:

- Hospital spending: 26.6% of total health expenditure; \$1,880 per person; 2.0% annual growth per person
- Drug spending: 15.3% of total health expenditure; \$1,078 per person; 1.8% annual growth per person
- Physician spending: 15.1% of total health spending; \$1,064 per person; 3.5% annual growth per person

#### Notes

Drug spending includes expenditures on prescribed and non-prescribed products, purchased in retail stores. Drugs dispensed in hospitals are captured in the Hospitals category. In 2017, the most recent year for which data is available, \$2.3 billion was spent on drugs dispensed in hospitals (excluding Quebec and Nunavut).<sup>2</sup>

Refer to the Methodology Notes for other potential sources of health spending data.

#### Source

National Health Expenditure Database, Canadian Institute for Health Information.

### Text alternative for Figure 10: Total health expenditure per capita by health spending category,\* Canada, 2019 (dollars and percentage share)

Category	Per capita health expenditure	Share of health expenditure
Hospitals	\$1,880	26.6%
Drugs: Prescribed	\$918	13.0%
Drugs: Non-Prescribed	\$160	2.3%
Physicians	\$1,064	15.1%
Other Institutions	\$772	10.9%
Other Professionals: Dental Services	\$450	6.4%
Other Professionals: Vision Care Services	\$151	2.1%
Other Professionals: Other Health Professionals	\$171	2.4%
OHS: Other Health Spending	\$551	7.8%
OHS: Health Research	\$118	1.7%
Public Health	\$384	5.4%
Capital	\$243	3.4%
Administration	\$205	2.9%

#### Notes

\* Administration expenditures in NHEX are related to the cost of providing health insurance programs by the government and private health insurance companies and all costs for the infrastructure to operate health departments. This category would include, for example, expenditures for the human resources and finance departments within ministries of health. Please see the Methodology Notes for more details. Other data sources at CIHI such as the Canadian MIS Database (CMDB) and Your Health System web tool capture measures of "administration" that differ. Readers should exercise caution when comparing the different concepts across data holdings.

OHS: Other Health Spending includes a new broader definition of home and community care spending. For information on the development of home and community care spending estimates in Canada, see the Methodology Notes.

See data tables A.3.1.2 and A.3.1.3 in the companion Excel file. See the Methodology Notes for definitions.

#### Source

National Health Expenditure Database, Canadian Institute for Health Information.

**Text alternative for Figure 11: Public and private shares of total health expenditure, by health spending category, Canada, 2019**

Category	Public-sector share	Private-sector share
Hospitals	90.2%	9.8%
Other Institutions	71.5%	28.5%
Physicians	98.4%	1.6%
Other Professionals	11.4%	88.6%
Drugs	36.7%	63.3%
Capital	79.1%	20.9%
Public Health	100.0%	0.0%
Administration	42.5%	57.5%
Other Health Spending	80.4%	19.6%
All categories	70.5%	29.5%

**Notes**

See data tables C.2.4 and C.3.4 in the companion Excel file. See the Methodology Notes for definitions.

Other Health Spending includes public-sector home and community care expenditure; data for the private sector is not available.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

**Text alternative for Figure 12: How do the provinces and territories compare?**

Health spending per person varies among the provinces and territories, and it is highest in the territories.

Among the provinces in 2019, total health spending per person is forecast to range, for example, from \$8,190 in Newfoundland and Labrador to \$6,953 in Ontario and \$6,548 in British Columbia.

Here are the 2019 forecasts for per-person spending and the corresponding growth rates for Canada as a whole and for each province and territory:

- Canada: \$7,068 per person; 2.9% increase
- Newfoundland and Labrador: \$8,190 per person; 1.6% increase
- Prince Edward Island: \$7,447 per person; 2.3% increase
- Nova Scotia: \$7,381 per person; 2.5% increase
- New Brunswick: \$7,187 per person; 2.8% increase
- Quebec: \$6,935 per person; 5.5% increase
- Ontario: \$6,953 per person; 2.6% increase
- Manitoba: \$7,404 per person; 1.2% increase

- Saskatchewan: \$7,249 per person; 1.7% increase
- Alberta: \$7,658 per person; 0.3% increase
- British Columbia: \$6,548 per person; 3.4% increase
- Yukon: \$11,733 per person; 0.5% increase
- Northwest Territories: \$17,475 per person; 1.5% increase
- Nunavut: \$19,061 per person; 6.2% increase

**Note**

Alberta's provincial government had not released its Main Estimates for 2019–2020 at the time the NHEX data was produced. As a result, 2018–2019 data was used as a proxy for 2019–2020.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

**Text alternative for Figure 13: Provincial/territorial government health expenditure as a proportion of total provincial/territorial government programs, Canada, 1993 to 2017**

Year	Health as a proportion of provincial/territorial programs (total expenditure less debt charges)
1993	32.8%
1994	32.7%
1995	32.5%
1996	33.1%
1997	34.1%
1998	33.1%
1999	34.4%
2000	35.9%
2001	36.7%
2002	37.7%
2003	38.6%
2004	39.1%
2005	38.9%
2006	38.8%
2007	38.8%
2008	35.8%
2009	36.0%
2010	36.3%
2011	35.9%
2012	36.9%
2013	36.9%
2014	37.0%

Year	Health as a proportion of provincial/territorial programs (total expenditure less debt charges)
2015	37.6%
2016	37.2%
2017	37.3%

**Notes**

See data table B.4.4 in the companion Excel file.

Financial Management System (FMS) data is available for 1993 to 2007 only, due to Statistics Canada's decision to move toward reporting government statistics on a Government Finance Statistics (GFS) 2001 basis. GFS data is available from 2008 to 2017. The FMS was founded on a modified cash-based system of accounting. Recently, Canadian governments decided to move to an accrual-based accounting system. In addition, an internationally accepted GFS manual has been developed. Given the significant work effort to transition to the GFS standard, most FMS-based government finance statistics have not been updated since reference year 2007–2008. More information on the move from FMS- to GFS-based government finance statistics can be found in the article [Moving from the Financial Management System to Government Finance Statistics](#). GFS data is extracted from administrative files and derived from other Statistics Canada surveys and/or other sources. The data is compiled for the entire government sector, which includes federal, provincial, territorial and local governments and their agencies. Statistics Canada now produces health spending data on a GFS basis. See the Methodology Notes for a comparison with NHEX.

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information; Statistics Canada.

### Text alternative for Figure 15: Total health expenditure and nominal GDP, annual growth, Canada, 1976 to 2019

Year	Health expenditure	GDP
1976	15.2%	15.2%
1977	10.0%	10.5%
1978	10.7%	10.9%
1979	12.1%	14.2%
1980	16.3%	12.5%
1981	17.8%	16.5%
1982	17.1%	5.4%
1983	10.7%	8.5%
1984	7.9%	9.7%
1985	8.4%	8.2%
1986	8.8%	5.3%
1987	8.0%	9.1%
1988	8.9%	9.2%
1989	10.1%	7.1%
1990	8.9%	3.6%
1991	8.7%	0.9%
1992	5.1%	2.4%
1993	2.4%	4.0%
1994	2.3%	6.0%



Year	Health expenditure	GDP
1995	1.5%	5.0%
1996	1.1%	3.4%
1997	4.9%	5.5%
1998	6.8%	3.7%
1999	7.6%	7.2%
2000	9.0%	9.7%
2001	8.7%	3.5%
2002	7.3%	4.3%
2003	7.4%	5.1%
2004	6.5%	6.5%
2005	6.8%	6.4%
2006	7.5%	5.3%
2007	6.3%	5.4%
2008	7.2%	5.0%
2009	5.7%	-5.2%
2010	6.1%	6.0%
2011	3.1%	6.5%
2012	4.2%	3.0%
2013	2.1%	4.1%
2014	2.8%	4.9%
2015	4.5%	-0.2%
2016	3.9%	1.9%
2017	3.6%	5.6%
2018 <sup>f</sup>	3.9%	3.6%
2019 <sup>f</sup>	3.9%	3.0%

**Notes**

f: Forecast.

See data table A.1 and Appendix A.1 in the companion Excel file.

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information; gross domestic product, Statistics Canada.

**Text alternative for Figure 16: Cost driver shares of average annual growth in public-sector health spending, 2000 to 2010 and 2010 to 2017, compared with annual growth in 2018 and 2019**

Period	General inflation	Population growth	Aging	Other
<b>2000 to 2010 AAG</b>	2.4%	1.0%	0.9%	2.7%
<b>2010 to 2017 AAG</b>	1.5%	1.0%	0.8%	0.1%
<b>2018<sup>f</sup></b>	1.7%	1.4%	0.8%	0.4%
<b>2019<sup>f</sup></b>	1.6%	1.0%	0.8%	0.5%

**Notes**

AAG: Average annual growth.

f: Forecast.

Health spending data by age and sex is available up to 2017.

Totals might not add up due to rounding.

Forecast is subject to revision when actual data becomes available in subsequent years. Based on past experience, growth may be revised upward. "These revisions reflect a tendency for governments to overshoot their budget targets generally and in health-related programs particularly."<sup>1</sup> (p. 1)

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information; gross domestic product, Statistics Canada.

**Text alternative for Figure 17: Has the share of health spending on seniors changed?**

From 2007 to 2017, the share of health expenditure spent on Canadians age 65 and older dropped slightly from 44.4% to 44.2%. At the same time, the percentage of seniors in the population grew from 13.4% to 16.8%.

By comparison, over the same time period, the share spent on Canadians age 1 to 64 grew from 52.7% to 52.9%, and this age group's share of the population dropped from 85.5% to 82.2%.

Finally, the share spent on Canadian infants younger than age 1 stayed the same: 2.9% for both 2007 and 2017. The percentage of infants in the population stayed almost the same: 1.1% in 2007 and 1.0% in 2017.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

**Text alternative for Figure 18: Potential near-term contribution of population aging to total health expenditure**

Expenditure	2019 <sup>f</sup>	2020 <sup>f</sup>	2021 <sup>f</sup>	2022 <sup>f</sup>	2023 <sup>f</sup>	2024 <sup>f</sup>
<b>Health spending</b>	\$264 billion	\$264 billion	\$266 billion	\$268 billion	\$270 billion	\$272 billion
<b>Increase from the previous year</b>	n/a	\$2 billion	\$2 billion	\$2 billion	\$2 billion	\$2 billion

**Notes**

f: Forecast.

n/a: Not applicable.

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information; Statistics Canada.

**Text alternative for Figure 19: Total health expenditure, and nominal GDP and projection, annual growth, Canada**

Year	Health expenditure	GDP
2002	7.3%	4.3%
2003	7.4%	5.1%
2004	6.5%	6.5%
2005	6.8%	6.4%
2006	7.5%	5.3%
2007	6.3%	5.4%
2008	7.2%	5.0%
2009	5.7%	-5.2%
2010	6.1%	6.0%
2011	3.1%	6.5%
2012	4.2%	3.0%
2013	2.1%	4.1%
2014	2.8%	4.9%
2015	4.5%	-0.2%
2016	3.9%	1.9%
2017	3.6%	5.6%
2018 <sup>f</sup>	3.9%	3.6%
2019 <sup>f</sup>	3.9%	3.0%
2020	n/a	4.0%*
2021	n/a	3.9%*
2022	n/a	3.7%*
2023	n/a	3.6%*

**Notes**

\* GDP projections data from *Economic and Fiscal Outlook, April 2019*.

f: Forecast.

n/a: Not applicable.

**Sources**

National Health Expenditure Database, Canadian Institute for Health Information.

Office of the Parliamentary Budget Officer. [Economic and Fiscal Outlook, April 2019](#). 2019.

**Text alternative for Figure 20: Average annual growth in total health expenditure, by selected spending categories, by decade**

Category	1975 to 1979 AAG*	1980 to 1989 AAG	1990 to 1999 AAG	2000 to 2009 AAG	2010 to 2019 <sup>f</sup> AAG
Hospitals	10%	10%	2%	7%	3%
Drugs	11%	14%	8%	8%	2%
Physicians	12%	11%	3%	8%	4%
All other categories combined	14%	10%	6%	7%	4%

**Notes**

\* Only a half decade of data is available.

AAG: Average annual growth.

f: Forecast.

"All other categories combined" includes Other Institutions, Other Professionals, Public Health, Capital, Administration and Other Health Spending.

**Source**

National Health Expenditure Database, Canadian Institute for Health Information.

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